



# ***Daily Report***

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## **China**

FBIS-CHI-93-185  
Monday  
27 September 1993

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27 September 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Reportage on Olympic Games Bid Effort in Monaco

#### Jiang Zemin Makes Appeal

OW2709044993 Beijing XINHUA Domestic Service in Chinese 1637 GMT 23 Sep 93

[By reporter Zhang Tingquan (4545 2185 2938) and Qu Beilin (2575 0554 2651)]

[Excerpts] Monte Carlo, 23 Sep (XINHUA)—The Beijing Olympic bid delegation presented a report on Beijing's bid to host the 2000 Olympic Games to members of the International Olympic Committee [IOC], leaders of various international sports associations, and representatives of various national Olympic committees here today, and received a warm response and generally good comments. [passage omitted]

Later, the Beijing bid delegation played a videotaped speech of PRC President Jiang Zemin on a screen at the Summer Sports Palace. Jiang Zemin said:

"Honorable President Samaranch and honorable IOC Members:

On behalf of the Chinese Government and the Chinese people, I extend my highest respects to you all.

It is the sincere hope of the Chinese people that the Beijing Municipality will be awarded the honor of hosting the 27th Summer Olympics so that we can contribute our share to the advancement of human society into a new century of peace, friendship, and progress.

The Chinese Government and people wholeheartedly welcome you and representatives of outstanding athletes the world over to meet in Beijing in the year 2000. The world will not forget the decision you make today."

[passages omitted]

#### Chen Xitong Interviewed on Vote

OW2509063393 Beijing Central Television Program One Network in Mandarin 2300 GMT 23 Sep 93

[Unidentified correspondent video report—from the "News" program]

[Text] [Reporter] Hello, Comrade Xitong. Chairman Samaranch just announced the result of the vote. We would like to invite you to say a few words to our TV viewers across the country.

[Chen] We just listened to the result announced by Chairman Samaranch. In short, we have not been designated the city to host the 2000 Olympic Games in a vote which we lost by a very small margin. Many foreign reporters, a number of our friends, and our own comrades asked me how I felt about it. I told them I was very calm. I had already said there would be two possibilities. Besides, I also said that the traditional virtue of the Chinese people is: neither to be proud with a success nor to be disheartened by a loss. I think very probably all the people across

the country share this view of mine. We were qualified to apply for hosting the 2000 Olympic Games and were able to win so many votes, although the result just announced indicated we lost the bid by a margin as small as two votes. What does it show? It shows: 1) Our strength; we needed just a few more votes to support and approve our bid; 2) it is remarkable that we won the support of so many people in our first bid to host the games; and 3) losing the bid by a margin of two votes shows the dawn lies just ahead of us. We'll win the bid in the future. Many countries submitted bids to the International Olympic Committee to host the games more than once. I think it is remarkable, very, very remarkable, that we could achieve such a result in our first bid today. It was a result of the support from the Chinese people; by compatriots overseas and by Hong Kong, Macao, and Taiwan compatriots; by Overseas Chinese; by our international friends; and by the party and government. I would like to express sincere thanks to them for their support.

We hope, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, we will be able to enhance the vigor of all the people across the country to work harder than before for the prosperity of the country, carry out construction of the motherland better, promote our economic development, improve the living standards of our people, and strengthen our comprehensive national power in the future. Then, I think, we will have more friends and will surely win the bid. However, as to the question of when we will submit our bid, we will not discuss it until after consideration. Some people asked me if we will submit our bid for hosting the next Olympic Games. I do not think so. We will not discuss it until after we have weighed the advantages and disadvantages.

In short, I think, we Chinese people have demonstrated our strength, our breadth of spirit, and the great achievements we have made in reform and opening up, and have shown that we have more and more friends with regard to the bid for the Olympic Games. Besides, though we lost the bid, we will make contributions, as always, to advocating and popularizing the Olympic spirit, we will work hard to carry forward the Olympic spirit in China; and, in any case, we will promote the Olympic movement to a new level through the sponsoring of the games by China [as heard].

One more thing. I would like to congratulate Sydney on its winning the bid. We congratulate it and support its efforts to host the 2000 Olympic Games more successfully. Thank you.

[Reporter] Thank you, Comrade Xitong.

#### Chen Comments on Bid

OW2409144593 Beijing XINHUA in English 1407 GMT 24 Sep 93

[Text] Monte Carlo, Monaco, September 24 (XINHUA)—Beijing has been fully prepared for both winning as well as

losing its bid for hosting the 2000 Olympics, Chen Xitong said on Friday [24 September].

Chen, president of the Beijing 2000 Olympic Games Bid Committee (BOBICO), told reporters that the Beijing bid team came to Monte Carlo with a logo: Neither to become contemptuous with a success nor to be disheartened with a loss.

He said that what is important in the Olympic movement is to participate and to bid for future Olympics as an active participation.

The BOBICO chief said that all bidding cities made their contribution to the Olympic movement but only one bidder is allowed to win the honor of hosting the games in the year 2000.

He stressed the fact that Beijing amassed almost half of the 88 votes attested to China's popularity which has been made possible by the achievements resulting from China's economic reform and opening to the outside world.

He said that some people stuck to flagrant interference and to dissemination of rumors and verbal attacks against the Beijing bid.

"But from the votes Beijing got on Thursday, people can see that China has got the support from many people in its first bidding effort.

"A margin as small as two votes shows the dawn for an Olympic games to be coming to China," he said.

The BOBICO president congratulated Sydney for its successful bid and expressed support of Sydney's staging of the 2000 Olympics.

"Facts have time and again proved that China is a firm supporter and champion of the Olympic principles," he said. "Beijing will, as always, make unremitting efforts in maintaining the Olympic principles and popularizing the Olympic movement."

#### Discusses Participation

*OW2509024493 Beijing XINHUA Domestic Service in Chinese 1532 GMT 24 Sep 93*

[Text] Monte Carlo, 24 Sep (XINHUA)—In an interview by a XINHUA reporter on 24 September, Chen Xitong said Beijing was prepared for two possibilities in its bid for hosting the 2000 Olympic Games: neither to be proud with a success in its bid nor to be disheartened by a loss.

Chen Xitong said he had conducted friendly conversations with the mayors of the other bidding cities. Though all five bidding cities made great efforts, only one could win. What is important in the Olympic Games is to participate. So far as the cities that failed to win the bid are concerned, the bid itself is a kind of active participation and has contributed to the Olympic movement.

Chen Xitong pointed out: The fact that Beijing won the support of nearly half the votes in its first bid for hosting the games shows our strength, the tremendous achievements we have made in reform and opening to the outside

world, and that we have more and more friends. It is remarkable for Beijing to win the support of so many people in its first bid despite various flagrant interference from certain people. It was a result of the support by the party and the government; by all the people across the country; by Hong Kong, Macao, and Taiwan compatriots; by Overseas Chinese; and by our international friends. A margin of two votes shows the dawn for our hosting the Olympic Games lies just ahead.

Chen Xitong congratulated Sydney on winning the bid, and expressed support for its success in hosting the 2000 Olympic Games. He reiterated: Practice has proved and will continue to prove that China is a firm supporter and champion of the Olympic principles. Beijing will, as always, continue to make efforts to uphold the Olympic principles, popularize the Olympic movement, and truly promote the Olympic Games to a new level.

Chen Xitong stressed: Under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, we must enhance vigor more than ever, unite and forge ahead, strive for China's regeneration, persist in reform and opening up, and succeed in promoting economic development, strengthening our comprehensive national power, improving the people's living standards, and carrying out construction of the capital and the motherland better.

#### Meets Human Rights Activists

*OW 2409172293 Beijing XINHUA in English 1614 GMT 24 Sep 93*

[Text] Monte Carlo, Monaco, September 24 (XINHUA)—The rights of survival are high on the agenda of China's human rights policy, Chen Xitong told international human rights activists during his stay here.

Chen, president of the Beijing 2000 Olympic Games Bid Committee (BOBICO), met with Daniel Jacoby and Lydie Dupuy, president and vice-president of the International Federation of Human Rights.

He told the two human rights advocates: "The number one human rights in China have to be that of survival.

"In old China, people led a very hard life with difficulties in feeding and clothing. Lots of people died from hunger and chill. They had not even the rights of survival."

Chen said that the New China has made unremitting efforts to overhaul the situation.

He said, "First of all, we have to feed and clothe our people well for them to enjoy enough rights of democracy.

"What we are up to now is a great cause which is aimed at strengthening the power of our nation and uplifting the living standards of our people, to well feed and clothe the 1.17 billion Chinese people and ensure these people of an ever better life."



He said that the Chinese population will have reached 1.25 billion by the year 2000 with a net increase of 15 million people each year.

The BOBICO chief said that no human rights can be more important than that of feeding and clothing 1.25 billion people.

"No country will be sharing this issue with us, so we have to go it alone.

"This in itself is already a great contribution by China to world peace and to the mankind," said Chen.

He explained that the cause of feeding and clothing China's huge population requires peaceful environment both at home and abroad. "If more than 1.1 billion people cannot be properly fed and clad, neither China nor the world will get along in peace. You suppose that these people all emigrate to other countries."

Chen said that China is still a developing country, in which living standards fall way below that in the developed countries.

"We have been trying, especially in the last decade, to better the living standards of our people.

"Under the guidelines set forth by Deng Xiaoping, China has solved its problem of feeding and clothing its huge population and is moving toward a well-to-do scenario," he said.

The BOBICO president said that in the 21st century it will still take China a pretty long time to catch up with the living standards of those relatively developed countries.

Chen said that China is opening wider to the outside world so that the world will be able to know more about China and vice versa.

Through economic cooperations between the countries, China's economy will improve to better guarantee the rights of survival which in turn will promote the rights of democracy.

"We hope certain people will not prevent us from opening wider to the outside world or pitch barriers against China's opening-up."

He said that all countries have their own problem of human rights. "Some countries never talk about their own problems of human rights. They keep interfering flagrantly with the affairs of other countries on the excuse of human rights."

Chen said the contact between China and the International Federation of Human Rights will serve as a good channel through which understanding can be enhanced.

"Seeing once is better than hearing from others a hundred times," Chen cited a Chinese saying to invite Jacoby and Dupuy to visit China and see for themselves what the Chinese have done in the aspect of human rights.

### Li Tieying Calls Chen, Li Lanqing in Monaco

OW2509210193 Beijing XINHUA Domestic Service in Chinese 1651 GMT 24 Sep 93

[By reporter Zhang Tingquan (4545 2185 2938)]

[Text] Monte Carlo, 24 Sep (XINHUA)—The morale of all comrades in the Beijing city Olympic bid delegation was greatly improved when they heard the party Central Committee and the State Council's messages of solicitude through Comrade Li Tieying's long-distance phone call this morning. They all said they would work even harder for the prosperity of the country and do a good job in all ways after returning home.

Delegation head Chen Xitong said: This time we managed to receive the sympathy and support of nearly half of the members of the International Olympic Committee, and we lost by only two votes under an extremely difficult situation; we should say this is an amazing achievement. It fully shows that the great achievements of our nation's reform and opening up to the outside world have made a great impact internationally.

He said: During our Olympic bid over the past two years, we have, in various ways, made friends with numerous quarters and have enhanced their understanding of China. We have all along acted according to China's traditional virtue of not attacking others to build up ourselves, worked in accordance with the Olympic spirit and principle to uphold the Olympic aim and the principle of fair competition, and demonstrated an open, aboveboard, and blameless manner in winning praise from many foreign friends.

He said: The great support by the whole nation and overseas compatriots for Beijing's Olympic bid this time has greatly aroused our national pride, enhanced our national cohesion, inspired the national spirit, and fully aroused the determination to unite as one in the love for China.

Chen Xitong said: The two-vote difference will encourage us to work even harder for the prosperity of the country, accelerate reform, open up wider to the outside world, enhance national strength, and invigorate the Chinese nation. In the future, we will try hard to promote the Olympic spirit as usual and make more contributions to pushing it onto a new stage.

Vice Premier Li Lanqing extended cordial regards and gratitude to comrades in the delegation who made nothing of the hardship of having to work day and night. He said: Beijing has achieved meaningful results in bidding to host the 2000 Olympics. The delegation has done an excellent job since they arrived in Monaco, winning honor for the country and making new contributions. You have made friends with numerous quarters, helped the whole world further understand us, and won broad sympathy and support from the international media and foreign friends.

Li Lanqing said: We should continue our great efforts to develop properly the capital and build Beijing into a thriving, modernized, and international city with a pleasant environment.

Chen Yunpeng [7115 6663 7720], chief coach for the Chinese national swimming team, said: We were extremely indignant at the gross interference and unfair actions of certain people in the international community. The results of the vote, however, showed a difference of only two votes, thus indicating we have won the support of so many people. We were not disheartened at all; instead, this bidding campaign has inspired our fighting spirit to continue working hard for the prosperity of the country. We are going to train even more "gold flowers" for the Atlanta and Sydney Olympiads to try and win even more gold medals.

Women's table tennis Olympic champion Deng Yaping [6772 0068 5493] said she would continue to train hard to win even more gold medals in the next Olympics to win honor for the motherland.

Yan Sanzhong, adviser to the delegation and vice president of the China National Petrochemical Corporation, said: All delegates from our business circles believe that this bidding campaign was really splendid in enhancing our cohesion, extending our international influence, and illustrating the success of the policy of reform and opening up to the outside world. After returning home, we are going to accelerate reform, make great efforts to develop the economy, and enhance our overall national strength. We economic and trade circles are determined to give active support to the sports circles and the work in Beijing city and to contribute more to bringing prosperity to sports as well as to Beijing city.

The delegation also received ebullient telegrams and phone calls from some ordinary people in the country as well as overseas Chinese and friends extending their regards.

#### **Olympic Bid Delegation Returns to Beijing**

*OW2609091893 Beijing XINHUA in English 0851 GMT 26 Sep 93*

[Text] Beijing, September 26 (XINHUA)—The Beijing bid delegation received a warm welcome here on Sunday [26 September] when it returned from Monte Carlo on a chartered plane after attending the 101 Session of the International Olympic Committee.

Li Tieying, member of the Political Bureau of the Communist Party Central Committee and state councilor, Luo Gan, state councilor and secretary-general of the State Council, and about 1,000 representatives from universities, factories and other fields came to the airport to receive the delegation.

Boys and girls presented bunches of flowers to the delegation members and a children's band struck up a tune of welcome when the delegation got off the plane.

Sydney edged out Beijing 45 votes to 43 on Thursday to win the honor for hosting the 27th Olympic Games in the year 2000 at the 101st Session of the International Olympic Committee [IOC].

Chen Xitong, president of the Beijing 2000 Olympic Bid Committee and head of the delegation, said although Beijing did not win the honor to host the games, the bidding process has helped deepen the friendship between the Chinese people and the people of other countries.

Li Tieying conveyed the welcome of the Chinese Communist Party General Secretary Jiang Zemin and Premier Li Peng.

He expressed his thanks to the IOC members and friends in the world who supported Beijing's bid. He also congratulated Sydney for its successful bid.

He said China will, as always, make unremitting efforts in maintaining the Olympic principles and popularizing the Olympic movement.

Li Lanqing, vice-premier and honorary head of the delegation returned from Monte Carlo on Saturday.

#### **Li Tieying Gives Welcome Speech**

*OW2709023793 Beijing XINHUA Domestic Service in Chinese 1339 GMT 26 Sep 93*

[Text] Beijing, 26 September (XINHUA)—Text of speech by Li Tieying at a ceremony to greet the Beijing 2000 Olympic Games Bid Committee [BOBICO].

You have worked hard. On behalf of the CPC Central Committee and State Council, I would like to extend a warm welcome to the returning BOBICO. I would also like to convey our heartfelt greetings to you. We wholeheartedly appreciate the hard work you comrades have done during the entire bidding process.

General Secretary Jiang Zemin and Premier Li Peng, both away from Beijing on an inspection tour, have asked me to convey their welcome to you. They said that many factors were behind Beijing's failure to win the right to host the 2000 Olympic games, but BOBICO's active, solid, and fruitful efforts were very impressive, and they are fully recognized by the party's Central Committee and the State Council and will always be remembered by the people of the motherland.

Beijing's bid demonstrated that the Chinese people are actively participating in the Olympics, and promoting the Olympic spirit; they are contributing to the promotion of the Olympic movement and of friendly exchanges among people of the world. It also demonstrated to the world the tremendous progress we have made in persisting in the policy of reform and opening up as well as the 5,000-year-long history and brilliant civilization of the Chinese nation.

While Beijing was making its bid, especially at the time the BOBICO delegation was in Monte Carlo, Chinese people at home and abroad expressed their profound patriotism in various ways and from various angles. This showed that the hundreds of millions of Chinese people are of one mind, represented a strong rallying call to make their country strong through hard work, and displayed their lofty aspirations and spirit. It also helped accelerate the historical process in which China marches toward the

world and is better understood by the rest of the world. From this point of view, we feel BOBICO's efforts were successful, significant and recognized and praised by the international community.

I would like to avail myself of this opportunity to convey my heartfelt appreciation to members of the International Olympic Committee and other international friends who supported BOBICO's efforts. I would like also to congratulate Sydney on winning the right to host the 2000 Olympic games.

We would like to reaffirm that China will, as ever before, make unremitting efforts to uphold the Olympic objectives and principles. China will actively support every event which is in the interests of the Olympic movement.

I am convinced that the noble spirit you have displayed—the spirit of defying hardships, working hard and continuing to forge ahead, and doing solid and down-to-earth work—will be an inspiration for people across the country who, under the leadership of the party, are working hard as one and making big strides along the path of socialism with Chinese characteristics. Comrades, let us make new contributions to building our motherland into a modern, prosperous socialist country.

#### **Calls Bid 'Significant'**

OW2609180793 Beijing XINHUA in English 1702  
GMT 26 Sep 93

[Text] Beijing, September 26 (XINHUA)—The efforts made by the Beijing 2000 Olympic Games Bid Committee (BOBICO) are fruitful, successful and significant, a high-ranking Chinese official said here on Sunday [25 September].

Li Tieying, member of the Political Bureau of the Chinese Communist Party Central Committee, made the remarks when he met the BOBICO delegation which returned here from Monte Carlo.

Jiang Zemin, general secretary of the Chinese Communist Party, and Premier Li Peng, both on an inspection tour out of Beijing, asked Li to convey their welcome to the delegates, Li said.

They said that many factors were behind Beijing's failure to win the right to host the 2000 Olympic games, but BOBICO's active, solid and fruitful efforts were very impressive, and they were fully recognized by the party's Central Committee and the State Council, Li said.

Beijing's bid demonstrated that Chinese people devoting themselves in the Olympic movement and are making a great contribution to promote the Olympic movement and maintain the Olympic principles.

It also displayed the unity of China's various nationalities, and their high aspiration. All this made China all the more understood by the rest of the world, Li said.

From this point of view, we take BOBICO's efforts as successful, significant and recognized and praised by the international society, Li said.

Li reaffirmed China's involvement in the Olympic movement. "China will, as ever before, make unremitting efforts in maintaining the Olympic principles and will continue to support every event which is in the interests of the Olympic movement," he concluded.

#### **Samaranch: IOC Not To Urge PRC on New Bid**

OW2409124793 Beijing XINHUA in English 1200  
GMT 24 Sep 93

[Text] Monte Carlo, Monaco, September 24 (XINHUA)—The IOC will not urge China to bid again soon unless it wishes to do so, said IOC President Juan Antonio Samaranch on Friday [24 September].

Addressing his first and last press conference at the IOC 101st session, Samaranch said that his institution would not urge China to bid for 2004.

"But if China is to do so, we will be very happy because China is an important country in the world and it is an important country in the Olympic movement as well."

When asked if some IOC members had known the vote results even before the announcement ceremony, Samaranch said that he was surprised while others might just be drawing their own deduction.

In reply to whether it is time for the IOC to drastically change its selection procedure for the Olympic host city, newly promoted IOC First Vice-President Kevan Gosper said that the current voting process provides the IOC and the bidding cities a fairer choice.

During Thursday's secret votes, the voting IOC members only knew which bidder dropped out from early rounds without any knowledge of how many votes each bidding city had amassed in each round until the very end.

In the previous selections, both the drop-outs and their votes were known to the IOC members, which could make it easier for them to re-direct their votes in the ensuing rounder.

The IOC president said that the IOC has never been stronger and more united and the Olympic games will become more important in the future.

#### **Overseas Chinese React to Olympic Bid Decision**

OW2509012693 Beijing XINHUA in English 0111  
GMT 25 Sep 93

[Text] New York, September 24 (XINHUA)—The Overseas Chinese in New York, who backed Beijing's Olympic bid, said it was regrettable that Beijing did not win the right to host the 2000 Olympic Games, but they were confident of the moment when the five-ring colors are to be hoisted over China in a near future.

Attendants at a gathering chaired by the New York Association for Peaceful Unification of China, blamed some Western countries for their interfering into the Olympic balloting before the voting of the host city on Thursday [23 September] for the year 2000.



C. H. Hua, president of the association, encouraged every Chinese athlete to do their utmost in the 1996 Atlanta Olympics to pay the way for a later Olympic bid.

He added that China was known a "sickman in Asia" in the past, now it can stand up to bid for hosting the Olympics with Western countries. It was a great achievement though Beijing was not awarded the right to host the 2000 Olympic Games.

Anthony W. Wan, vice chairman of the Olympic in Beijing 2000 New York Inc, said the Overseas Chinese have won the support from many American people in the bidding process, and will make further contributions to strengthen the friendship between peoples of the two countries.

Although China did not get the right to host the Olympics, the joint march by all of the Chinese people and the Overseas Chinese has impressed the world deeply, said Zhan Yuan, a representative in a photo exhibition earlier to support Beijing's Olympic bid.

#### **'Newsletter' on Story of Beijing's Olympic Bid**

OW2609015793 Beijing XINHUA Domestic Service in Chinese 1445 GMT 24 Sep 93

[ "Newsletter" by reporter Li Hepu (2621 6320 2528) ]

[Text] Monte Carlo, 24 Sep (XINHUA)—Personages in Chinese sports circles will not forget the scene in Lausanne, Switzerland, in December 1991. At the International Olympic Committee [IOC] Headquarters, Zhang Baifa presented Beijing's application for the 2000 Olympic Games to IOC President Samaranch on behalf of the Beijing 2000 Olympic Games Bid Committee. Samaranch opened a simple and elegant brocaded case, read the documents submitted by the bidding committee, and said meaningfully: "From now on you have begun a difficult journey as you face many opponents. I wish you good luck!"

Now, this difficult journey has come to an end. However, luck has not come to Beijing. Hundreds of millions of Chinese people who hope for the Olympic games truly regret this, and many people even feel very sad. However, the people do not lament, because participation is important and participation itself is a difficult journey. We learn, compete, and drive forward only through participation.

#### **National Games, Asian Games, and Olympic Games—Orbit of the Forward Drive**

Bidding to host the Olympic games was not prompted by sudden impulse. It was a natural demand following the rapid upgrading of our people's material and cultural life as well as a path to move our country's sports undertakings toward the world.

After the birth of New China, sports undertakings have made giant strides. By the end of the 1970's, we had successively held six large-scale national games. However, national games were confined to our country. We have two respected leaders who have accelerated the process of pushing China's sports to the world arena in recent years.

One of them is Deng Xiaoping, the chief architect of China's reform and opening up, and the other is IOC President Samaranch.

One fact is known to very few people even today. In 1987, Samaranch attended, on invitation, the opening ceremony of the Sixth National Games in Guangzhou. At that time, Chinese sporting activities entered a golden era. At the Los Angeles Olympic Games in 1984, China achieved a breakthrough, by winning 15 gold medals at one fell swoop. The Olympic wind had begun to blow on the vast land of China. Samaranch saw huge potential for the Olympic movement in the most populous nation on earth. Therefore, he proposed hosting the Olympic games to Chinese sports leaders and asked Guangzhou to bid for the 1996 Olympic Games.

The conditions for China to bid for the Olympic games were still not ripe then. However, the proposal was truly a sincere reminder from a friend.

Comrade Deng Xiaoping was the person who had tremendous influence and driving power for China to bid for the Olympic games. On 3 July 1990, Deng Xiaoping, who was over 80 years old, enthusiastically visited the newly completed track and field arena and swimming pool at the National Olympic Center. Walking along an elevated bridge, he told Wu Shaozu and Zhang Baifa: "After hosting the Asian Games, we should also host the Olympic games. Have you made up your minds?"

Three years after the Sixth National Games in Guangzhou, Beijing successfully held the 11th Asian Games. The success of the Asian Games aroused the enthusiasm of hundreds of millions of people, particularly vast numbers of young people, to host the Olympic games. At the Asian Games' closing ceremony, spectators spontaneously displayed a banner, inscribed: "Having held a successful Asian Games, everyone hopes to host the Olympic Games." This is the aspirations of hundreds of millions of Chinese people. At that time, it was natural and justifiable to bid for the games.

On the afternoon of 26 February 1991, the Chinese Olympic Committee held a plenary meeting in the Guangdong Room of the Great Hall of the People to discuss and approve Beijing's bid for the 2000 Olympic Games. Soon afterwards, the State Council approved a report on the Beijing Olympic Bid Committee on 28 February. On 18 March, the bid committee was formed, and its first press conference was held in Beijing.

From the Sixth National Games to the 11th Asian Games to the official bid for the 2000 Olympic Games, Chinese sport has broken out of Asia to move toward the world arena, and has taken several solid steps on the road toward realizing the Olympic ambition.

#### **Decision, Difficulty, and Hope—Footsteps of the Olympic Bidders**

The bid committee began to work intensely from the moment it was formed.

It began its work with learning. In June 1991, Wu Shaozu and Zhang Baifa led a delegation to the IOC Headquarters in Switzerland's Lausanne, the United Kingdom's Birmingham, and Barcelona, the host city for the 1992 Olympic Games. In Birmingham, the delegation studied the IOC's entire procedure for selecting the host city for the 1998 Winter Olympic Games. Wu Shaozu said: The trip was "very fruitful." After his return, Zhang Baifa summed up Beijing's bid in following words: "The determination, difficulty, and hopes are very great, but the assurance of success is not great!"

In 1992, fierce competition for the 2000 Olympic Games began in full swing. Personages of the Beijing Bid Committee and sports circles also became involved in a full assault on the bid. In July, China sent a strong sports delegation and the Beijing Bid Committee delegation to the 25th Olympic Games in Barcelona. The delegation held news conferences and receptions for journalists to establish wide contacts with the sporting and press circles of various countries. Zhang Baifa announced that, if successful in its bid, Beijing would provide international travel costs, free board and lodging, and transportation to athletes and officials of all nations and regions. Secretary General Wan Siquan gave briefings on Beijing's plan to create a clean environment by piping natural gas from the northwest. Secretary General Wei Jizhong stated publicly the possibility of holding one or two events in Hong Kong and Taiwan.

Meanwhile, the trail of a strong Chinese gale blew on the competition fields at the Barcelona Olympic Games. Reports of victories by Chinese athletes kept pouring in. They won a total of 16 gold medals, and the total medal tally rose sharply to fourth place. Samaranch said: "You have achieved a huge success!"

Competition in the Olympic games bidding intensified. It was a competition of true strength, wisdom, courage, and fighting spirit. Beijing had a natural advantage. As China's capital, it had the backing of nearly 1.2 billion people, China's brilliant culture of 5,000 years, and a vast and beautiful territory. In recent years, China's economic development has become a new miracle, and its reform and opening policy has won wide accolades in the world. Currently, it enjoys political stability and social security. However, we also have inadequacies. We are still a developing nation and our economic prowess cannot match that of the developed nations. In the international community, many people still lack an understanding of China and a few people even have prejudice against it. Beijing needs to double and redouble its efforts.

In 1992, Beijing received 30 IOC members and invited the presidents or secretary generals of 25 international organizations of individual sports to visit the municipality.

In 1993, the bid for the 2000 Olympic Games entered the year of decisive battle. The bid committee and Chinese sporting circles intensified their publicity campaign in preparation for the bidding.

From 6 to 9 March, Beijing received an 11-member IOC inspection delegation led by Gunnar Ericsson.

From 9 to 18 May, the First East Asian Games were held in Shanghai. China once again showed to the world its elegant style of reform and opening and its capability to organize large-scale international sports meets.

On 23 June, the Beijing Bid Committee delegation again made a long trip to Lausanne to attend the IOC's 100th meeting and the inauguration of the new Olympic Museum building.

From 4 to 15 September, Chinese athletes at the Seventh National Games in Beijing shocked the world by beating world records. Chinese sports workers had again presented a precious gift to the Olympic movement.

Recently, the Beijing Bid Committee announced a new decision: if Beijing won the bid to host the 2000 Olympic Games, it would erect an Olympic monument on the ancient Great Wall engraved with the names of all the IOC members and honorary members as well as the names of the games' gold medalists.

In two years, Beijing successively invited 70 IOC members to visit the municipality. Through the hard work of the bid committee workers, China has gained a better understanding of the world and vice versa. Whether the bid was successful or not is the fruit of the Olympic games bid.

#### Monte Carlo—An Unforgettable Memory in the 20th Century

Monte Carlo is a pocket-sized city in pocket-sized Monaco on the Mediterranean coast. As the IOC's 101st meeting was held here to decide on the host city for the 2000 Olympic Games on a sleepless 23 September night, this would leave behind an unforgettable memory of the 20th century.

On 16 September, Li Lanqing and Chen Xitong led the Beijing delegation of nearly 200 people to Monte Carlo. The huge Istanbul, Berlin, Manchester, and Sydney bidding delegations also arrived in the city one after another. In this pocket-sized city, frequent contacts, successive news conferences, and journalists' receptions, briefings, and exhibitions were held. The most brilliant words and convincing facts were used to make reports...competition reached a white-hot stage. Those who came to lend their support included the Australian and Turkish premiers and the British prime minister.

Although several unhappy incidents occurred earlier—people openly adopting a resolution in parliament to oppose Beijing's Olympic games bid and people leaking the contents of the IOC's inspection team's reports ahead of publishing time to create unfavorable opinions of Beijing—the Beijing bid delegation always worked hard to promote the Olympic undertakings.

A "competition among giants" has temporarily ended.

Mr. Samaranch's wish for Beijing did not come true. However, all Olympic enthusiasts firmly believe that this is temporary. Participation is difficult and the road may be very long, but the dawn of the 21st century has begun to shine.

**Qian Qichen Arrives in New York**

OW2509031993 Beijing XINHUA in English 0301  
GMT 25 Sep 93

[Text] United Nations, September 24 (XINHUA)—Qian Qichen, vice-premier and foreign minister of China and chief of the Chinese delegation to attend the 48th U.N. General Assembly, arrived in New York late this evening.

Among his heavy schedule during his stay in New York is the delivery of a speech to the General Assembly on September 29, as well as meetings and talks with his counterparts of various countries.

Those greeting him at the Kennedy Airport included Li Zhaoxing, permanent representative of China to the United Nations and deputy chief of the Chinese delegation, Chen Jian, China's deputy permanent representative to the U.N., and Zhang Weichao, Chinese consul-general in New York.

**'Roundup' Discusses Philippine-U.S. Relations**

OW2409144193 Beijing XINHUA in English 1417  
GMT 24 Sep 93

["Roundup" by Xiong Changyi: "Manila, Washington Repair Relations"]

[Text] Manila, September 24 (XINHUA)—An American warship today dropped anchor in the Philippines for the first time since the United States withdrew its naval ships from former Subic Naval Base about one year ago.

The U.S. Navy destroyer USS O'Brien's three-day visit is "evidence" of American commitment to establish normal military ties with the Philippines in the post-base area, the U.S. Embassy said in a statement.

Political analysts here regarded the American warship's visit as a sign of Manila and Washington repairing their relations marred by the Philippine Senate's decision in November 1991 to end the U.S. military presence.

For more than half a century, relations with the United States have dominated the Philippines' foreign policy. An intense colonial history, close economic ties, and the presence of Subic Naval Base and Clark Air Base were anchors to what seemed to be an enduring relationship.

But over the last few years, the dramatic political changes in the post-war world [as received] and the removal of the U.S. military bases have fundamentally altered the "special relations" between the two countries.

The U.S. economic aid to the Philippines has declined from 375 million U.S. dollars in 1987 to about 145 million dollars in 1993 while the U.S. military aid has dropped from 200 million dollars in 1991 to just 25 million dollars in 1992.

With cumulative investments of about 1.7 billion dollars, the United States is still the country's number one foreign investor. However, since the early 1980s, the U.S. investments in the country have gradually declined.

In anticipation of President Fidel Ramos' visit to the United States scheduled in November, "The Solidarity," a study group, today released its findings on the future of Philippine-American relations.

The study group includes 20 thoughtful individuals from business, government, academic and non-government organizations.

With the global and regional changes underway, the group said, the Philippines today needs to strike a new balance between its historically close political and economic ties to the United States and its historically underdeveloped ties to the rest of Asia.

While some members of the group held that the military importance of the Philippines may have diminished in the eyes of Washington policymakers, other members felt strongly that the Philippines will be of increasing economic and political importance in the Asian-Pacific region.

The group expressed the hope that both countries would recognize "the value of keeping strong ties that currently exist because of history, personal ties, and the Philippines' U.S.-inspired democratic values and institutions."

It identified four foundations for a post-base bilateral relationship:

- Enhanced bilateral economic ties based on mutual benefit, including debt relief, expanded trade, increased investment, and continued, though reduced, aid.
- More flexible defense cooperation in the context of multi-lateralism. The study group recommended that the Philippines maintain, but not rely on the mutual defense treaty and U.S. military assistance.
- Cooperation in areas where the Philippines and the U.S. have common interests or shared values, including preserving an open global economy, supporting human rights and democratization and promoting sustainable development.
- Strengthening the bonds created by history, culture and the large Filipino-American community through enhanced studies and exchanges and a more active role by the Filipino-American community.

The study group also called for the quick resolution of "hang-over" issues such as the plight of Amerasian children and the disposal of toxic waste at former Subic Naval Base.

It hoped that President Ramos' visit to the United States will open a new chapter in bilateral relations between the two countries.

**G-7 Countries Express 'Support' for Yeltsin**

OW2509232893 Beijing XINHUA in English 2307  
GMT 25 Sep 93

[Text] Washington, September 25 (XINHUA)—The Group of Seven [G-7] nations expressed here today strong support for Russian President Boris Yeltsin and the economic reform he initiated.

The G-7 expressed "very strong hope that the latest developments will help Russia achieve a decisive breakthrough onto the path of market reform," said the communique released after a closed-door meeting.

Meeting in Blair House, the G-7 ministers, joined for the first time by Russian Finance Minister Boris Fyodorov, reaffirmed their commitment to the program of support to Russia agreed in Tokyo in April.

Meanwhile, the communique asked the Russian Government to "take the measures necessary for the (support programs) to be fully effective".

The G-7 nations are the United States, Japan, Britain, Germany, France, Canada and Italy. Today's meeting, participated by finance ministers and central bankers, is the fourth of its kind since this January.

Today's meeting was held in conjunction with the annual meeting of the World Bank and the International Monetary Fund, the chief lending agencies for the developing world and the countries in transition.

### United States & Canada

#### Ministry Rebuts U.S. Claim of Nuclear Testing

OW2709133793 Moscow Radio Moscow in Mandarin  
1000 GMT 27 Sep 93

[From the "News" program]

[Text] In a brief statement it released today [27 September] the Chinese Ministry of Foreign Affairs refuted [bo chi] the U.S. claim that China is preparing for a nuclear test.

It pointed out that China follows a policy of restraint on the issue of nuclear testing.

The U.S. State Department had stated earlier that, according to U.S. intelligence, China planned to conduct an underground nuclear test during the first week of October.

#### Reportage on Yinhe Freighter, Official Reaction

##### Ship Returns to Tianjin Port

OW2409120393 Beijing XINHUA in English 1135  
GMT 24 Sep 93

[Text] Tianjin, September 24 (XINHUA)—The Chinese "Yinhe" cargo ship returned to the north China's port of Tianjin at one o'clock this morning.

Personnel at the China Ocean Shipping Corporation, the owner of the ship, and officials from the Tianjin port and the local customs administration joined relatives of the crew in saluting the ship as it arrived.

The cargo liner left for the Middle East after being loaded with more than 700 containers at the Tianjin port on July 5.

On August 1, the United States, prompted by hegemonism, made a groundless accusation that the cargo-liner Yinhe was carrying dangerous chemicals. The U.S. dispatched

warships and military aircraft to harass the Chinese ship's normal commercial navigation on the high seas, which seriously threatened the safety of the crew on the Chinese ship.

As a result, the ship was forced adrift on the high seas for more than 20 days. This delay, combined with a several-day-long investigation of the contents of the ship, made the Yinhe 33 days late in reaching its scheduled ports in the Middle East.

The corporation suffered 12.93 million U.S. dollars in economic losses. The corporation's reputation was also seriously affected, said officials from the China Ocean Shipping Corporation.

On September 8, the ship left the Dubai port for Tianjin after unloading the last of its cargo in the United Arab Emirates.

#### Zou Jiahua Urges U.S. Apology

OW2509170293 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 25 Sep 93

[From the "National News Hookup" program—recorded]

[Text] [Video shows medium shots of Yinhe crew members walking down the gangway, a correspondent on the dock reporting on the event, Zou Jiahua shaking hands with crew members, children presenting flowers to them, and close-up shots of several crew members and Zou Jiahua speaking]

[Correspondent] Dear viewers, our vessel, the Yinhe cargo ship, which was unreasonably obstructed and harassed by the United States, arrived in Tianjin port and returned to the embrace of the motherland on 24 September.

[Announcer speaking over video] On the 25th [of September], Vice Premier Zou Jiahua went to Tianjin port to welcome and comfort the crew members of the Yinhe on behalf of the State Council. The Yinhe is an ordinary cargo ship belonging to the China Ocean Shipping Corporation and is engaged in normal commercial shipping. The United States, using so-called intelligence information as its basis, accused the Yinhe of carrying materials for making dangerous chemical weapons, and it employed aircraft and warships in harassing and blocking the Yinhe cargo ship.

After an inspection was carried out by China in conjunction with Saudi Arabia, with U.S. personnel serving as advisers to Saudi Arabia, it was found that the ship did not carry the materials for making dangerous chemical weapons as has been alleged by the United States. On 4 September, China, Saudi Arabia, and the United States signed the inspection report, and so the truth of the incident provoked by the United States has become known to all.

[Unidentified crew officer with a four-stripe shoulder insignia] After 2 August, U.S. warships shadowed us and took pictures of us while we were under way. Their helicopters were flying with their doors open, and we could clearly see the cameras on board. After we received



instructions from our company at 1935 on 2 August, we temporarily cast anchor to await further orders so as to prevent the incident from worsening, while U.S. warships remained around us all along the way.

[Unidentified crew member] We were experiencing a critical shortage of food and water at that point.

[Officer] In addition, our crew members suffered from the interference and difficulties physically and mentally, as well as in terms of their everyday life. However, we overcame difficulties and victoriously sailed home.

[Zou Jiahua reading from a prepared speech in front of a microphone] The wrong actions taken during the incident have cast a new shadow on Sino-U.S. relations. If the U.S. Government still wants to take into account its international reputation, it must admit its mistakes, apologize in public, eliminate the remaining effects, and compensate us for our losses. It should also abandon hegemony and power politics, promise to observe strictly international laws and norms governing international relations during international exchanges, and pledge not to create another such incident in the future.

[Beijing Central Television Program One Network in Mandarin at 1100 GMT on 25 September, in the "highlights" of the "National News Hookup" program, notes the following: "The Yinhe has returned to Tianjin port, and General Secretary Jiang Zemin extends his regards to all crew members of the Yinhe."]

### **Urges U.S. To 'Compensate'**

*OW2509124893 Beijing XINHUA in English 1237 GMT 25 Sep 93*

[Text] Tianjin, September 25 (XINHUA)—Chinese Vice-Premier Zou Jiahua said here today that the U.S. Government should apologize in public for its erroneous actions in dealing with the Chinese "Yinhe" cargo ship and compensate for the losses the Chinese side has suffered. In a ceremony held here to salute the crew, Zou said that the U.S. Government should follow this path of atonement if it still gives any consideration to international opinion. The ship, owned by the China Ocean Shipping Corporation (COSCO), returned to north China's port of Tianjin at one o'clock (Beijing time) Friday [24 September] morning. The cargo liner left for the Middle East after being loaded with more than 700 containers at the Tianjin port on July 5.

On August 1, the United States, prompted by hegemonism, made a groundless accusation that the cargo-liner Yinhe was carrying banned chemicals. The U.S. dispatched warships and military aircraft to harass the Chinese ship's normal commercial navigation on the high seas, which seriously threatened the safety of the crew on the Chinese ship.

As a result, the ship was forced adrift on the high seas for more than 20 days. This delay, combined with the inspection of the contents of the ship, made the Yinhe 33 days late in reaching its scheduled ports in the Middle East.

The corporation suffered 12.93 million U.S. dollars in economic losses. The corporation's reputation was also seriously damaged, said officials from the China Ocean Shipping Corporation.

The vice-premier said that the Yinhe ship did not carry the banned chemicals, triodiglycol and thionyl chloride. The erroneous action taken by the U.S. side has not only violated China's sovereignty and freedom of navigation, but has caused major economic losses and harmed China's credibility throughout the world.

The U.S. Government should abandon hegemonism and power politics, promise to observe international laws and norms governing international relations, and pledge not to create another such incident in the future, he said.

Liu Huaqiu, vice-minister of foreign affairs, said that the Yinhe crew came across great difficulties when the ship was forced to drift on the high seas. Liu said the crew underwent mental suffering and physical harm. During the incident, the crew members' safety were threatened while their relatives suffered from emotional torture.

Liu said that the basic rights of the crew and their relatives have been infringed.

The facts show clearly that the so-called world guardian of human rights actually uses human rights as a means to implement hegemonism and power politics and interfere in other countries' internal affairs on the pretext of human rights.

Despite the incident, Minister of Communications Huang Zhendong pledged the COSCO will continuously provide service for domestic and foreign customers.

At today's ceremony, the COSCO bestowed on the Yinhe crew a collective citation of merit and presented them with a flag.

### **Beijing Reacts to U.S. Ban on Cargo Flights**

*HK2709114693 Hong Kong AFP in English 1115 GMT 27 Sep 93*

[Text] Beijing, Sept 27 (AFP)—China Monday [27 September] condemned Washington's decision to ban flights to the United States by cargo planes owned by two Chinese companies, and threatened reprisals. "Such a decision by the U.S. side is unacceptable to the Chinese side. China hereby expresses its regrets and its discontent," a Foreign Ministry spokesman said by telephone. "China is prepared now to hold consultations with the relevant U.S. authorities at any time, but if the U.S. side continues its wrong action, the Chinese side will be left with no alternative but to take corresponding measures," the spokesman said. He added that the United States would be held "fully responsible for all the consequences arising therefrom."

Washington said Friday that cargo planes from Air China and China Eastern would not be allowed to land in the United States from October 17 as a reprisal for the ban placed by Beijing on U.S. freight company Evergreen International Airlines. According to U.S. officials, the two

Chinese companies put pressure on their clients not to use Evergreen, in violation of bilateral air transport agreements. The Chinese spokesman Monday also said the U.S. ban violated the September, 1980 agreements.

#### **Analysis on President Clinton's Health Care Plan**

OW2609230093 Beijing XINHUA Domestic Service in Chinese 0828 GMT 24 Sep 93

["News Analysis" by reporter Si Jiuyue (0674 0036 1471): "Why Did Clinton Propose the Health Care System Reform Plan?"]

[Text] Washington, 23 Sep (XINHUA)—On 22 September, U.S. President Clinton proposed to the Congress a plan that will implement a comprehensive reform of the current U.S. health care system. The U.S. health care industry is a highly developed industry, and both its medical skills and quality of service are at the top level internationally. Then why did Clinton propose such a reform plan? Analysts believe that the main reason is because the present U.S. health care system has plunged into a crisis in recent years.

This crisis is mainly reflected in the continued rise of health care costs. Despite an economic slump for the past five years, health care costs have continued to increase at a rate exceeding 10 percent annually. In 1992, the costs reached a record \$838.5 billion, which was three times, 12 times, and 31 times the totals for 1980, 1970, and 1960, respectively.

Because the rate of increase of health care costs is three times that of the national economic growth rate for the corresponding period, health care costs consumed one-seventh of the year's gross national product [GNP] in 1992, whereas in 1965 the expenditure was only 6 percent of GNP. If this trend continues, U.S. health care costs will constitute nearly one-fifth of U.S. GNP by the year 2000.

Because large enterprises and government departments must purchase health insurance for their employees, the increase in health care costs has greatly added to their financial burdens. In 1991, the costs incurred by U.S. enterprises for health care reached 50 percent of their profits. In the same year, the financial deficit of the federal government increased by \$40.1 billion over the previous year, half of which was due to the increase in health care costs. The payment of health care costs that topped an average of \$4,000 per person [figure as received] for employees and their family members has also consumed a large portion of funds that otherwise could be used to increase employees' incomes, and this has caused pay increases to stagnate for many years.

Another main manifestation of this U.S. health care crisis is that while spending on health care increases sharply, 37 million people lack basic health insurance. In addition, currently an average of 2 million people are losing their health insurance every month.

Workers of small enterprises and individual workers form the majority of people without health insurance. The incomes of these people are low, and they cannot factor

their health insurance costs into production costs as can large enterprises and still enjoy tax-free benefits. As a result, their costs for buying insurance are actually double that of other people. This taxation policy is extremely unfavorable to low-income families.

Among those without health insurance, there remain some people who cannot gain access to insurance coverage. In the United States, health insurance companies specifically approve people who always have good health records for coverage but reject those "risky customers" who are physically weak and who are always sick. Even a healthy person is very likely to be rejected by insurance companies if he falls seriously ill after buying insurance.

When delivering his State of the Union address to the Congress at the beginning of the year, Clinton said: "If we cannot solve our health care crisis, there definitely will be no protection for our families, our enterprises definitely will not be strong, and our government definitely will not have an adequate ability to cover costs."

Because the U.S. health care industry constitutes one-seventh of GNP, observers here believe almost unanimously that implementing a reform of the huge U.S. health care system is unquestionably the launching of a real "revolution" in American society. However, it is definitely not easy to attain achievements. This is because Clinton's reform plan will not only affect the life of every American but also involve the complex interests of various sectors of society. Furthermore, Clinton's plan wants to control the increase of health care costs to cut government spending on one hand while on the other hand spend a huge amount of money to provide insurance coverage for 37 million people who lack it. The greatest problem is how to raise this \$350 billion.

According to a recent public opinion poll carried out by THE NEW YORK TIMES, although a majority of Americans feel that the health care industry has plunged into a crisis, only 45 percent of them believe that Clinton can implement a major reform of that sector, and about the same number of people feel that it will be difficult to implement the health care reform plan. It is reported that in mid-October Clinton will submit an official text of the reform plan to the Congress, which will vote on the bill at the beginning of next year at the earliest. What kind of attitude the Congress takes at that point will be the first major test facing Clinton's plan.

#### **Central Eurasia**

##### **Yeltsin Addresses CIS Summit in Moscow**

OW2409134293 Beijing XINHUA in English 1330 GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—A summit meeting of the Commonwealth of Independent States (CIS), grouping 10 former Soviet states, opened here today to discuss forming an economic common market.

In an opening address, Russian President Boris Yeltsin said the gathering of the CIS heads of government in

Moscow indicated strong support for his decision on Tuesday [21 September] to dissolve parliament and call elections for a new legislature in December.

The CIS summit accepted Azerbaijan as a new member and will be discussing 18 items, including creation of a common market and signing of an economic union treaty.

### **'Roundup' on Russia's Political 'Crisis'**

OW2509004093 Beijing XINHUA Domestic Service in Chinese 1000 GMT 23 Sep 93

["Roundup" by XINHUA reporters Meng Jun (1322 6511) and Jia Zhiping (6328 1807 1627)]

[Text] Beijing, 23 Sep (XINHUA)—President Yeltsin, head of Russia's executive branch, and Khasbulatov, representing the legislative branch, have declared the stripping of each other's powers in the past two days, thereby further intensifying Russia's crisis of duplicate political power.

On the evening of 21 September, Yeltsin issued a decree "implementing the stage-by-stage constitutional reform" that suspended the powers of the Congress of People's Deputies and the Supreme Soviet and called elections for a new legislature on 11-12 December. In regard to the aforementioned decree, the Supreme Soviet, headed by Khasbulatov, convened an emergency session overnight at which it adopted, by an absolute majority, a decision removing Yeltsin as president and appointing Vice President Rutskoy as acting president. Rutskoy was sworn in and, in his capacity as acting president, nullified Yeltsin's decrees and appointed new defense, internal affairs, and security ministers. However, Yeltsin refused to accept the decision. As a result, a dramatic situation of "two presidents" and "double ministers" emerged in Russia's political scene. The two sides accused the other of being "illegal," and neither is ready to step down from the political stage.

This intensification of confrontation is the outcome of years of struggle between the two principal organs of power. Differences between the president and parliament have sharpened since late 1991. The focus of contention was over which system of state power—the presidential or parliamentary systems—and which approach of economic reform should be adopted. In essence, it is a struggle over political leadership of the state. Yeltsin favors a system of state power in which the president assumes absolute power; Khasbulatov, on the other hand, favors a parliamentary republic system with parliament exercising supreme authority. The president favors radical economic reform aimed at total privatization, while parliament contends that, in developing a market economy, it is necessary to take into account Russia's reality and that the state should play an active part in regulating and controlling economic reforms. As a result of this struggle, the president was unable to get parliamentary approval for his decrees and parliament cannot get the president's signature for its resolutions. This duplicate political power situation has evolved, for all practical purposes, like two wheels spinning without moving forward. Yeltsin wanted

to change the situation by drafting a new constitution and holding early parliamentary elections, but parliament was firmly against this, contending that parliamentary and presidential elections should be held simultaneously. Under these circumstances, Yeltsin decided to dissolve the Congress of People's Deputies and parliament, a decision that oversteps the Constitution.

After Yeltsin's decree was promulgated, it drew different responses at home and abroad. The government under control by Yeltsin as well as the National Defense, Security, Interior, and Foreign Affairs Ministries expressed support for the president's decision. As regards local leaders, while some voiced support and some expressed "understanding," most were hesitant and took a wait-and-see attitude. The Russian Constitutional Court ruled that Yeltsin's decree "had violated the Constitution." Though the situation in Moscow, the capital, was basically calm, over 10,000 people rallied around the parliamentary building to voice their support for parliament. Despite Khasbulatov's call for a strike in all areas to protest Yeltsin's decree, no large-scale strike has been staged so far. The situation in all areas was basically normal. The leaders of Ukraine, Belarus, and Kazakhstan expressed support for Yeltsin's move. The leaders of such Western nations as the United States, the United Kingdom, France, and Japan indicated their stance, one after another, expressing support for Yeltsin.

Observers believe each of the two rivals for control of the power in Russia possesses a superiority in the current ratio of their strength. Yeltsin controls the government and the troops, which represent the actual state power and are favorable for him to bring the situation under control. The parliament gains the initiative in law according to the Constitution now in force. Viewed from the perspective of the situation's development, Yeltsin is working for the establishment of a new legislative body—the election of a federal assembly. However, the problem is that there is no election law acceptable to all sides in Russia now. Parliament is preparing to hold an extraordinary session of the Congress of People's Deputies to complete the legal procedures for recalling the president. However, Yeltsin stressed that he is a president elected by the people, that he had announced the dissolution of the Congress of People's Deputies, and that, therefore, he will not recognize the results of the session. It seems parliament will not stop its activities and the president will not back down. For the time being, there is no telling how the confrontation between the two political powers will end.

### **Former Soviet Republics' Leaders Discuss Russia**

OW2409133793 Beijing XINHUA Domestic Service in Chinese 0840 GMT 24 Sep 93

[By reporter Huang Huizhu (7806 1979 3796)]

[Text] Moscow, 23 Sep (XINHUA)—The leaders and governments of various countries in the former Soviet Union reacted differently to Russia's current situation and President Yeltsin's decision to terminate the functions of the Congress of People's Deputies and the Supreme Soviet

of Russia. Some countries are worried about Russia's current situation and hope Russia will resolve the current crisis peacefully.

The Uzbek parliament and government on 22 September held a joint meeting on the Russian situation. The meeting adopted a message to the people, pointing out that Uzbekistan favors a rational and peaceful settlement of the intense conflict between Russia's legislative body and executive body without bloodshed, and that Russia's destiny and future should be decided by the Russian people.

Latvian Deputy Speaker Bojars told TASS reporter: Latvia is anxiously watching the development of Russia's situation, believing that the situation there is unpredictable and could affect Latvia.

Kazak President Nazarbayev said in a statement: "The action of President Yeltsin is one way for his country to get out of political deadlock"; however, "it is still necessary to seriously ponder on the legal appraisal of Yeltsin's decision."

Armenian President Ter-Petrosyan expressed concern over Russia's crisis.

The presidents of Tajikistan and Turkmenistan so far have not yet openly expressed their positions on the current Russian situation.

The Ukrainian president and speaker have not made comments on Russia's current situation and Yeltsin's decision, but Ukrainian Foreign Minister Zlenko described Yeltsin's action as "necessary."

The Lithuanian ruling party—the Democratic Labor Party—the Belarus president, Moldovan President Snegur, and Georgian President Shevardnadze separately expressed their support or understanding of Yeltsin's action.

#### **CIS Leaders 'Support' Yeltsin**

OW2409200293 Beijing XINHUA in English 1728  
GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—Chairman of Belarusian Supreme Soviet Stanislav Shushkevich said here today that "presidents and head of states of the Commonwealth [of] Independent States (CIS) support the constitutional reform undertaken by Russian President Boris Yeltsin."

At a press conference during the CIS summit meeting held here today by the leaders of 10 former Soviet states, Shushkevich said the reform could be undertaken "through ways of democratic elections."

The summit, chaired by the Belarusian speaker, was opened at a time when Russia was in political crisis sparked off by Yeltsin's decree to dissolve the parliament.

But Yeltsin looked confident. He said at the start of the meeting, "I can assure you that public order, both in Moscow and in Russia, is being maintained and will definitely be maintained, so I ask you not to worry."

Before the meeting, the Russian president also promised not to use force against the parliament, or the White House.

"All (Commonwealth) leaders supported my actions as they were precise and democratic," Yeltsin later told reporters.

#### **'National Hookup' Reports on Russian Situation**

OW2409135193 Beijing Central People's Radio  
Network in Mandarin 1030 GMT 24 Sep 93

[From the "National Hookup" program]

[Text] The political unrest in Russia continued on 23 September. President Yeltsin yesterday signed a decree to confiscate the Russian parliament's assets and property and put them under the control of the Social Production Center of the Presidential Administration Office.

Russian Minister of Internal Affairs Yerin yesterday issued a statement saying that his ministry was in complete control of the situation in Russia.

In another development, the Russian Congress of People's Deputies last night announced the opening of an emergency meeting. The meeting adopted a resolution by a great majority vote to impeach President Yeltsin and to appoint Rutskoy Russia's acting president.

Rutskoy, who has been appointed Russia's acting president by the Russian Supreme Soviet, said if an early presidential election is held, he will not run for the presidency. He also said Yeltsin also should not run for the presidency.

#### **Defense Minister Grachev Calls Troops to Moscow**

OW2409144093 Beijing XINHUA in English 1416  
GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—Russian Defense Minister Pavel Grachev said today that additional Army units had been brought into Moscow, apparently to back up President Boris Yeltsin in his struggle against the parliament.

He did not specify the number of troops, simply saying that they were sent in to "protect the lives and security of Muscovites in the present situation aggravated due to ill-considered actions on the part of the parliament".

Late yesterday, gunmen tried to storm the Moscow headquarters of the Commonwealth Military Command. One policeman and a civilian were killed before they were repulsed. This was the first violent clash since Yeltsin dissolved parliament on Tuesday.

On the same day, Yeltsin ordered Interior Ministry police to "secure" public safety and accused his opponents of distributing dozens of automatic weapons to anti-Yeltsin demonstrators outside their headquarters.

More than 1,000 anti-Yeltsin demonstrators remain camped outside the parliament building, known as the



White House, for a third day. Small bands formed self-defense units and dozens carried assault rifles.

Meanwhile, the government issued an ultimatum today to the parliament, demanding the all the "firearms and ammunition" kept in the White House be handed over to law enforcement agencies in order to avert more violent incidents and casualties.

### **Chernomyrdin Gives News Conference**

*OW2409153693 Beijing XINHUA in English 1418  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—Russian Prime Minister Viktor Stepanovich Chernomyrdin said here today that the government would take measures to control the worsening situation.

Speaking at a press conference, Chernomyrdin said that the political situation in Moscow was "nearing its worst," warning that "the whole situation is being forced towards bloodshed."

He said that with the country on a dangerous verge, any rash action could lead to disaster.

The prime minister said the government had called for all commanders in local areas to hold talks with local congress leaders and managers of enterprises so as to prevent the situation from worsening.

It is reported that President Boris Yeltsin has ordered the Defense and Interior ministries to disarm the guards at the Russian parliament.

Yesterday several gunmen tried to storm the Moscow headquarters of the Commonwealth Military Command killing one policemen and severely beating another before being repulsed. A woman was killed by a stray bullet during the attack which intensified the situation.

### **Yeltsin, Khasbulatov on 'Attack'**

*OW2409153293 Beijing XINHUA in English 1427  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—Russian President Boris Yeltsin and the dissolved parliament today blamed each other after two people were killed during an attack on the military headquarters of the Commonwealth of Independent States (CIS).

Defense Minister Pavel Grachev here today accused the parliament-appointed defense minister Col. Gen. Vladislav Achalov of being involved in the attack last night.

Grachev told the press that it was aimed at undermining the present CIS summit meeting.

He noted that those who supported Achalov and distributed weapons to people on the streets should also be held responsible.

Deputy Defense Minister Konstantin Kobets today also announced that Achalov and the parliament should bear all responsibility for last night's tragedy.

Kobets has ordered troops and police to open fire directly at gunmen if a similar event takes place again.

Addressing a session of the Congress of the People's Deputies, parliament Speaker Ruslan Khasbulatov pointed out that those who initiated "the state coup" should be blamed for last night's killings.

Some delegates expressed disapproval of some news reports claiming that the parliament was involved in the assault.

Last night, eight gunmen attacked the CIS military command, killing a policeman and an elderly woman and wounding another two people.

The event is under investigation and interior troops have detained several suspects.

Yeltsin has ordered that guards in the parliament, known as the White House, be disarmed while security guards on duty around the building have been put on alert.

### **Mayor Gives Ultimatum to Parliament**

*OW2409144693 Beijing XINHUA in English 1430  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—Moscow Mayor Yuriy Luzhkov today sent an ultimatum to Parliament Chairman Ruslan Khasbulatov, vice-president Aleksandr Rutskoy and four other officials to give up weapons held by supporters guarding the parliament building.

The ultimatum, signed by Luzhkov, did not say what would happen if it was not heeded.

But also today, Russian President Boris Yeltsin ordered the Interior Ministry to take over the security of the parliament building and disarm its security guards.

Under the order, the Interior Ministry has been authorised to guard the parliament building and the equipment in it.

Yeltsin also ordered the ministry to sort out the list of firearms given to the parliament guards.

The president urged the Defense and Interior Ministries to immediately take measures to disarm the guards of the parliament.

Since late night in September 21, Russians supporting the parliament have built road blocks outside the parliamentary building and armed themselves with stones and bricks.

It was speculated that the parliamentary guards had distributed weapons to those volunteers guarding the building, known as the "White House", reports said.

Earlier, Interior Minister Viktor Yerin said he was sending reinforcements to encircle the Russian parliament, although he added the time for "decisive actions" had not yet come.

On Thursday [23 September] night, eight unidentified gunmen launched an attack on the military command of

the Commonwealth of Independent States (CIS) in which two people were killed, a policeman and the other an elderly woman.

### **Interior Ministry Seals Parliament**

OW2409200393 Beijing XINHUA in English 1558  
GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—Interior Ministry forces sealed off the parliament building here today, increasing the tension in the city.

After President Boris Yeltsin ordered the Defense and Interior Ministries to disarm guards at the parliament, the mayor of Moscow announced that White House area to be "extremely dangerous".

The armed police had sealed off all accesses to the White House, allowing only journalists and members of the assembly to pass. Various military cars and trucks were waiting outside.

According to Moscow's mayor, all important units such as the post office and key enterprises had taken precautionary measures.

The safeguarding of the White House was commanded by Deputy Defense Minister Alyberm Makashov named by Alexander Rutskoy. He said to reporters that they had formed new armed groups to protect it.

According to sources from the White House, all telecommunication and power supplies to the building had been cut off. All vehicles entering parliament are being supervised.

The parliament, which was dissolved by Yeltsin last Tuesday [21 September], held an emergency meeting from 10 PM yesterday. It lasted until 5 AM today when it adjourned until 7 PM.

Some 3,000 demonstrators gathered in the square before the White House supporting the parliament's defiance of Yeltsin's dissolution decree.

Rumors that there would be an attack on the White House this evening were widespread. Yeltsin, the defence and interior ministers all said this afternoon that there would be no attack on the parliament where many members of parliament are staying.

### **'Confrontation' Intensifies**

OW2509095993 Beijing XINHUA Domestic Service in Chinese 1707 GMT 24 Sep 93

[Text] Moscow, 24 Sep (XINHUA)—The confrontation between the Russian legislative and executive branches intensified further today.

Moscow Mayor Yuriy Luzhkov declared the Russian parliament building White House and its surrounding areas "zone of heightened danger," while the presidential office sent a large number of additional armed troops and policemen to areas surrounding the White House, after President Boris Yeltsin ordered earlier today a take-over

of the arms of "illegal armed groups and armed personnel." In the afternoon, all roads leading to the White House were sealed off, with various kinds of military vehicles parked around the White House awaiting orders. It was announced that all major targets, posts and telecommunication facilities, and enterprises under the state jurisdiction, as well as government offices have heightened their guard today.

General Makashov, who was appointed vice defense minister by Rutskoy, is responsible for guarding the White House. He announced to the press that in addition to the existing armed personnel, a new armed group had been formed to defend the White House.

The Congress of People's Deputies, which was dissolved by Yeltsin, today continued its 10th extraordinary session, which began at 2200 on 23 September. The session was adjourned till 1900 [as transmitted] due to the tense situation. Thousands of people have gathered in a rally in the White House square in support of the congress.

At the moment it is widely rumored that there will be an offensive to capture the White House tonight. Under such a situation, President Yeltsin, Defense Minister Grachev, and Interior Minister Yerin made separate speeches this afternoon saying there would be no storming of the White House.

This afternoon the Moscow City Government issued an ultimatum to parliament-appointed Acting President Rutskoy, Parliament Chairman Khasbulatov, Achalov, Barannikov, and others, demanding them to hand over to presidential security organs within an hour all the firearms and ammunition distributed and kept in the White House.

The headquarters of the Joint Armed Forces of the Commonwealth of Independent States in Moscow was attacked by armed thugs, resulting in the deaths of an armed policeman on duty and a retired woman worker. Yeltsin and the parliament today blamed this bloodshed on each other, urging the other party to take responsibility.

When speaking to the press, Premier Chernomyrdin said the degree of political tension in Moscow has reached the "limit."

### **Congress Deputies Adjourn 'Emergency Session'**

OW2409204893 Beijing XINHUA in English 1913  
GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—Russia's Congress of People's Deputies adjourned an emergency session today as it was debating opposition to President Boris Yeltsin.

Parliament Chairman Ruslan Khasbulatov survived a challenge to his authority after a senior deputy proposed replacing him as chairman of the legislature.

The Russian parliament defied a decree by President Boris Yeltsin disbanding it last Tuesday [21 September].

Khasbulatov told reporters he was fulfilling his duty as a lawmaker. "We are not fighting anybody. We are lawmakers," he said, "and we ask Yeltsin to abide by the Constitution."

Earlier, Interior Ministry forces sealed off the parliament building, increasing tension in the city.

The armed police had sealed off all accesses to the parliament building, and various military cars and trucks were waiting outside.

Some 3,000 demonstrators were gathering in the square before the building supporting the parliament's defiance of Yeltsin's dissolution decree.

### **Khasbulatov Keeps Position**

*OW 2409200093 Beijing XINHUA in English 1937  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—Russia's Congress of People's Deputies today adjourned an emergency session devoted to a debate over opposition to President Boris Yeltsin.

Ruslan Khasbulatov, chairman of the legislature, survived a challenge to his authority at the session.

A senior deputy, Veniamin Sokolov, proposed replacing Khasbulatov, who is defying an earlier decree by Yeltsin to disband the legislature.

But Vice-President Aleksandr Rutskoy took the floor to defend Khasbulatov, accusing some deputies of trying "to flee in good time and to betray in good time".

"It is a shame. Who is changing horses in mid-stream? We will be the laughing stock of the whole world," said Rutskoy, sworn in by deputies as acting president after Yeltsin's decree.

Ramazan Abdulatipov, head of one of the two chambers of the standing parliament, joined in Rutskoy [as received] in condemning the proposal to remove Khasbulatov.

But Sokolov, head of the other chamber, was supported by Sergey Baburin, who is considered a hardliner.

It was not clear why Sokolov was seeking the removal of Khasbulatov.

The emergency congress reconvenes on Saturday at 10:00 A.M. (0600 GMT).

### **Police Clash With Anti-Yeltsin Demonstrators**

*OW 2409222893 Beijing XINHUA in English 2152  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—Several people were injured today as police scuffled with demonstrators gathering near the parliament building in support of the dissolved Congress of People's Deputies, the INTERFAX news agency reported.

Meanwhile, the government cut all electricity to the parliament headquarters where lawmakers were converging in

defiance of President Boris Yeltsin's Tuesday [21 September] decree to disband the legislature.

The agency said that the clash involving Interior Ministry troops occurred less than a kilometer from the Russian parliament in central Moscow.

INTERFAX quoted witnesses as saying that the protesters were trying to block the passage of a convoy of crack Interior Ministry troops around 9:00 P.M. (1700 GMT), prompting police to use clubs to disperse them.

The agency did not specify the number of those injured or their conditions.

The parliament, known as the White House, has been surrounded by security forces since Yeltsin issued the decree.

The deputies had been meeting in an emergency session to debate opposition to Yeltsin's decree. They went into recess before the lights were cut out, plunging the parliament building into darkness.

The building also has been almost cut off from the outside world with telephone and broadcast links severed by the government.

### **St. Petersburg Mayor Bars Deputy From Office**

*OW 2409224593 Beijing XINHUA in English 2205  
GMT 24 Sep 93*

[Text] Moscow, September 24 (XINHUA)—St. Petersburg's vice mayor was fired today for criticizing President Boris Yeltsin on national television, news reports reaching here said.

Vice Mayor Vyacheslav Shcherbakov, 53, appeared on "600 Seconds," an anti-Yeltsin television program, Tuesday [21 September] night. He called Yeltsin's rule-by-decree "anti-Russian and unconstitutional."

Yeltsin on Tuesday issued a decree to disband the rebellious Congress of Peoples' Deputies, triggering a severe political crisis in the country.

Shcherbakov was elected in 1991 along with Mayor Anatoly Sobchak.

The two officials often clashed with each other. Earlier today, Sobchak issued a decree barring Shcherbakov from entering Smolny, the mayor's office building.

### **Paper Discusses 'Political War' in Moscow**

*HK2509073693 Hong Kong TA KUNG PAO in Chinese  
25 Sep 93 p 3*

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Struggle for Power Further Intensifies in Moscow"]

[Text] Russian President Yeltsin predicted on 12 August that "the decisive political war for Russia" will break out in September. As he expected, the curtain of the "decisive political war for Russia" rose on 21 September.

### Neither Side Yielding an Inch

In his television speech, Yeltsin blamed the Russian parliament, his political opponent, for "hindering" economic reform. He announced "a termination of the parliamentary activities" and decided to hold new parliamentary elections on 11 and 12 December, which would "elect a bicameral legislature." Following Yeltsin's speech, the heads of the Russian Government, Army, and police voiced their support. Many local leaders also stood by his side. But the Russian parliament, led by Khasbulatov, gave tit for tat and refused to budge even an inch. The parliament adopted a resolution on 22 September, saying that Yeltsin's order was "aimed at staging a coup," which "violated the Constitution." For this reason, the parliament decided to remove Yeltsin from office and pass the powers of the president to Rutskoy, the vice president, who toed the parliament's line. Meanwhile, reports say that thousands of people gathered in front of the "White House," where parliament was situated in the center of Moscow, to support the parliament.

### The West Drew in One Faction To Strike Another

The attitude of some Western powers is indeed noteworthy. Involved in the struggle between the two factions in Russia, the Western powers immediately expressed their position and resolutely stood by Yeltsin's side. Believing that Yeltsin was the "reformer," they telephoned him, issued statements, and promised economic aid. This was not the first instance of Western support for Yeltsin. At the summit of the seven industrialized nations held in Tokyo a few months ago, the leaders of the Western nations expressed their support for Yeltsin and also promised to offer aid involving several billions of dollars to Russia. These promises have not yet been fulfilled, however.

The antagonistic struggles between the two political forces, President Yeltsin and the parliament, led by Khasbulatov, have been nonstop in recent years. Serious face-to-face arguments have occurred on numerous occasions. People will still remember the scene of the fierce struggle following Yeltsin's self-declared "presidential rule." Nevertheless, the struggle ended in a compromise. The main reason for such a state of affairs is the balance of power between the two sides and the difficulties of one prevailing over the other. Consider the results of the "referendum" insisted by Yeltsin for example: the votes for Yeltsin accounted for approximately 58 percent, while those who cast their ballots accounted for only 64 percent of the voters. This proved that Yeltsin was supported by only one-third of the voters. At the same time, those against the parliament did not exceed 50 percent. Therefore, the parliament was not rejected.

### Hope That the Crisis Can Be Resolved Peacefully

Although Yeltsin has indeed won much support at home, thousands of Moscow residents voiced their support for the parliament. As for the situation of other localities, even Western reporters acknowledge that some have blamed Yeltsin, while others have adopted a wait-and-see attitude.

They have drawn the following conclusion: "The president-appointed executive authorities back Yeltsin, but the local soviet governments have frequently expressed their support for the parliament and its leader Khasbulatov." Thus it can be seen that the people have not all leaned to one side.

Naturally, people are worried about the possibility that force will be used to settle the crisis. Yeltsin said that "the situation is totally under control," and he ruled out the possibility of the use of force. Some people opened fire, however, and this shows that they probably want to use force. If this is the case, the situation will be very dangerous. The heads of the Army and police have backed Yeltsin, but there are also armed individuals among the masses who are defending the parliament. Therefore, it is quite reasonable for the Chinese Government to call on the parties concerned "to settle the crisis through peaceful means."

### Parliament Starts Forming Defense Units

OW2509140293 Beijing XINHUA in English 1244  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Parliament-appointed Defense Minister Vladislav Achalov said today that military units were being set up to defend the parliament's "White House" building.

Achalov, who was appointed after Yeltsin dissolved parliament on Tuesday, told the legislature at a plenary session of the parliament that two motorised rifle battalions were being formed.

A full session of the Congress of People's Deputies, Russia's supreme legislature, was expected to be held after the meeting of the Presidium.

Achalov said the units were made up partly of members of the Union of Officers which was accused by Yeltsin's government of being implicated in an armed attack on the command of the Commonwealth of Independent States (CIS), on Thursday in which two people died. Its leader, Stanislav Terekhov, has been arrested.

The tense situation increased around the "White House" after Yeltsin ordered members of the parliament to withdraw from the "White House" by 5:00 am on Friday. In reply the beleaguered parliament improved its defense of the "White House".

Meanwhile rumours of attacks on the "White House" were circulating regularly in Moscow but Yeltsin insisted on Thursday at the CIS summit meeting that he had no intention of taking offensive action.

It was calm around the "White House" throughout last night into this morning although pro-Yeltsin forces, including armed police detachments, were reportedly mustering in the area, as a "precautionary measure" according to the authorities.



**Rutskoy Reviews 'Defenders'**

OW2509182493 Beijing XINHUA in English 1510  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Aleksandr Rutskoy, named as acting president by Russia's parliament, reviewed a group of defenders of the assembly this afternoon, describing them as parliament's own regiment.

The group included about a dozen people in police or military uniform. The rest wore civilian clothes or military fatigues, some clutching shopping bags. Most seemed to be aged 40 or over.

Rutskoy told supporters outside the parliament building that "I hope you will do everything you can to oppose (President Boris) Yeltsin's fascist regime."

Rutskoy is spearheading resistance to Yeltsin, who said on Tuesday [21 September] he was dissolving parliament and calling elections for a new legislature in December.

Rutskoy told reporters that leaders of nine military districts had pledged loyalty to the "legal authorities"—parliament and the ministers it appointed this week.

Russia's armed forces and police have made clear they still regard Yeltsin as president, even though parliament has declared him sacked.

**Urges Troops To Ignore Yeltsin**

OW2509181993 Beijing XINHUA in English 1648  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Russian Vice-President Aleksandr Rutskoy today called on encircling special troops to ignore President Boris Yeltsin's order.

Shortly afterwards he reviewed a group of volunteer defenders on the terrace outside the parliament building, saying "do not obey Yeltsin, (Interior Minister Viktor) Yerin and the other bastards," he called to the special troops. "I am a soldier like you. I appeal to you to defend the Constitution and the law, otherwise the country will fall under a fascist dictatorship."

Rutskoy was appointed by the parliament as acting Russian president following Yeltsin's televised announcement on Tuesday [21 September] dissolving the parliament and calling elections for a new legislature in December.

Rutskoy, Yeltsin's powerful political rival, was loudly cheered by around 2,000 supporters in front of the building, which earlier was surrounded by Yeltsin's forces.

The troops have been preventing anyone other than deputies from entering or leaving the building.

**Yeltsin Warns Local Officials To Obey Orders**

OW2509182393 Beijing XINHUA in English 1607  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Russian President Boris Yeltsin today warned officials of local governments that they would be sacked if they refused to obey his orders.

In an interview with reporters, Yeltsin said most regional administrations had responded positively to his decree dissolving parliament, but two or three regions had taken action running counter to his orders.

Yeltsin said those local government officials faced dismissal.

Yeltsin's statement, also sent to news organizations by the Kremlin press service, reminded commanders of troops and other armed groups that they bore full responsibility for ensuring the integrity of weapons stocks under their control.

The Russian president earlier fired Yuriy Lodkin, the head of the local administration in the central city of Byansk some 400 kilometers southwest of Moscow, for siding with parliament in the current crisis.

On Friday [24 September], Yeltsin ordered his security forces to disarm the protesters and security groups guarding the parliament building. Despite these orders to security forces, Yeltsin has made repeated assurances that he wants to avoid bloodshed.

**Moscow Government Expects 'Attack' on City Hall**

OW2509185393 Beijing XINHUA in English 1623  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Parliament supporters was planning an attack on city hall, the Moscow municipal government said today.

A statement, issued this afternoon by the press center of the Moscow municipal government, said the planned military action was led by Deputy Defense Minister Albert Makashov and Vladislav Achalov named by Aleksandr Rutskoy [sentence as received].

The statement warned city residents not to go near the parliament building and said weapons were being passed out there in preparation for an armed assault on government premises.

It claimed firearms were being issued to "psychologically unbalanced" persons and "criminals" in preparation for an assault on the headquarters of the municipal administration, and the civilians might be taken as hostages.

That building, the former Comecon [Council for Mutual Economic Assistance] headquarters, is located near the parliament which remained mostly surrounded by security forces.

The municipal government warned those "planning the attack" "not to intensify the war" and informed them that the Interior Ministry security forces were taking "all necessary measures" to prevent any violent clashes from

**Khasbulatov: Parliament To Leave if Necessary**

OW2509185293 Beijing XINHUA in English 1554  
GMT 25 Sep 93

[Text] Moscow, September 25 (XINHUA)—Russia's parliament will establish a new base outside Moscow if

President Boris Yeltsin drives them from the capital, parliamentary Chairman Ruslan Khasbulatov said today.

Khasbulatov told a press conference, "of course we have taken precautions beforehand."

"If the 'coup' succeeds in Moscow, a special parliamentary centre will immediately start work in one of Russia's cities," he said, breaking out.

President Yeltsin signed an order today to investigate those who opposed the president's orders in constitutional reform and affix their responsibilities.

The order said the government officials and military officers who disobeyed president's order will be fired.

He also signed an order to shift public officials working in parliament to other administrative bodies. Military personnel will be arranged to Defense, Security and Interior Ministries.

### **Rutskoy Vows To 'Fight to the Death'**

OW2609163893 Beijing XINHUA in English 1550  
GMT 26 Sep 93

[Text] Moscow, September 26 (XINHUA)—Russian President Boris Yeltsin attended a concert at Red Square today while lawmakers stayed closeted in parliament for the sixth day.

Accompanied by Defense Minister Pavel Grachev and Moscow Mayor Yuriy Luzhkov, Yeltsin marched through the Kremlin gates for a performance of Tchaikovsky's 1812 Overture, and shook hands with his supporters.

Yeltsin said that victory is near in his showdown with the parliament.

Two kilometers away, Interior Ministry troops ringed the parliament's White House headquarters, where the deputies continued to meet in defiance of Yeltsin's order dissolving the parliament Tuesday [21 September].

Aleksandr Rutskoy, president named by the parliament, told reporters that he would fight to the death if the troops storm the White House headquarters.

"If the president storms this building, I declare: I will not take a single step back and I will fight to the end. I'm not going to surrender."

At noon today, about 10,000 people marched through central Moscow to show their support for Yeltsin. Waving white, blue and red Russian flags, the marchers chanted "Yeltsin, Yeltsin" as they streamed along Tverskaya Street.

Earlier today, Yeltsin sent Deputy Prime Minister Sergey Shakhrai to St. Petersburg to discuss with regional leaders the political crisis in the country.

The INTERFAX news agency said that the discussion would focus on a proposal by Constitutional Court Chairman Valeriy Zorkin for simultaneous presidential and legislative elections.

Without quoting any sources, the INTERFAX said that Shakhrai and the regional leaders would study a compromise based on Zorkin's proposal.

Shakhrai did not rule out the proposal while Ramazan Abdulatipov, the head of the national chamber of the parliament, also supported the idea of simultaneous elections.

However, parliament Speaker Ruslan Khasbulatov said that the congress "will study carefully the resolution of participants in St. Petersburg, but will not change its position" in its demand for the dissolution decree to be annulled.

Officials said that the St. Petersburg meeting is purely consultative in nature.

### **'Roundup' Views 'Confrontations' in Moscow**

OW2509233893 Beijing XINHUA in English 2326  
GMT 25 Sep 93

["Roundup"]

[Text] Moscow, September 25 (XINHUA)—Tension in Moscow is increasing today as both the executive and the legislative bodies have stepped up their confrontations.

President Boris Yeltsin, in a television interview today, warned officials of local governments that they would be sacked if they refused to obey his orders.

The president who had earlier dismissed Yuriy Lodkin, the head of the local administration in the central city of Byansk for siding with parliament, said that two or three regions had taken action running counter to his orders.

He reminded commanders of troops and other armed groups that they bore full responsibility for ensuring the integrity of weapons stocks under their control.

He also signed today an order to investigate those who opposed the president's decree in constitutional reform and affix their responsibilities.

On the other hand, parliamentary Chairman Ruslan Khasbulatov asked parliament committees to get contacts with all the regions, enterprises and military forces to win their support.

As all communications to the parliament building (the White House) were cut off, the parliament, after a brief meeting today, decided to adjourn the session till September 26. Khasbulatov said that the parliament would establish a new base outside Moscow if President Yeltsin drives them from the capital.

After Yeltsin ordered the working staff of the parliament to leave the White House within a definite time on Friday [24 September], the special troops have reinforced their guarding of the White House while parliament supporters have put more blockades around the parliament building.

The parliament-appointed acting President Aleksandr Rutskoy reviewed on the terrace outside the parliament

building a group of volunteer defenders including a motorized corps consists of veterans and reserve duty officers.

President Yeltsin and the parliament accused each other of attempting to kindle an armed conflict, but both sides expressed to avoid bloodshed.

The press center of the Moscow municipal government issued a statement this afternoon saying that parliament supporters were planning an attack on the city hall and asked the civilians to stay away from the white house otherwise they may be taken as hostages.

The municipal administration also warned those "planning the attack" that the Interior Ministry security forces were taking "all necessary measures" to prevent any violent clashes from breaking out.

The parliament-appointed security minister Viktor Baranikov announced at the parliament meeting that the government had decided to arrest parliament members.

Therefore, Vladislav Achalov, defense minister also appointed by the parliament, said that the parliament was preparing to establish a force to defend the white house.

However, Yeltsin's minister of defense Pavel Sergeyevich Grachev told newsmen that the government did not intend to resort to force and the situation would be normal in a few days.

Nevertheless, people in Moscow are still worried about a blood conflict.

### **Constitutional Court Proposes Double Election**

OW2509235693 Beijing Central People's Radio Network in Mandarin 1030 GMT 25 Sep 93

[From the "National Hookup" program]

[Text] As the confrontation between Russia's two major organs of power intensified, Zorkin, chairman of the Russian Constitutional Court, has come up with a zero-point [ling dian] plan for settling Russia's political crisis. He proposed that simultaneous presidential and parliamentary elections be held on 12 December.

According to Zorkin's zero-point plan, the president should revoke his 21 September decree on dissolving the Congress of People's Deputies and parliament, and parliament should repeal all subsequent acts so that the situation that existed before on 21 September can be restored. After that, preparations can be made to hold presidential and parliamentary elections.

### **Gorbachev on Double Election**

OW2709041693 Beijing Central People's Radio Network in Mandarin 0300 GMT 26 Sep 93

[By station's Moscow-based reporter (Wang Dongzheng); from the "News" program]

[Text] Yesterday [25 September], former Soviet President Gorbachev said that the best way out of the present situation in Russia is to hold presidential and parliamentary elections simultaneously, and the sooner the better. At

a news conference, Gorbachev stressed: All must return to the constitutional track. He also stated that he does not intend to participate in the parliamentary elections to be held shortly.

### **Regional Leaders on Elections**

OW2709002393 Beijing XINHUA in English 2158 GMT 26 Sep 93

[Text] Moscow, September 26 (XINHUA)—Russia's regional leaders today called on President Boris Yeltsin to agree to simultaneous presidential and parliamentary elections to be held by the end of December as a compromise to solve the current political crisis.

The call was made at a meeting in the northern city of St. Petersburg, attended by 49 leaders, mostly from powerful regional councils (soviets), according to reports reaching here.

Constitutional Court President Valeriy Zorkin on Friday [24 September] put forward a compromise plan, under which Yeltsin would revoke his decree dissolving parliament, and simultaneous presidential and parliamentary elections would be held in December 11-12.

The regional leaders in a statement urged Yeltsin to accept the proposal as a way to cut through the crisis, which began last Tuesday when the Russian president disbanded the country's legislature.

Yeltsin has already said he opposes simultaneous polls, arguing that to hold the two sets of elections at the same time would create a "dangerous" power vacuum. He has called parliamentary elections for December 11-12 and a presidential poll next June 12.

The conservative parliament, which has continued to meet in defiance of Yeltsin's decree, has proposed simultaneous elections no later than next March.

Yeltsin's administration chief Sergey Filatov said the Russian leader remained opposed to the idea of a simultaneous vote at present.

He added that it was "difficult" for him to speak for Yeltsin and the president would formulate a decision after being fully briefed on the compromise plan.

Deputy Prime Minister Sergey Shakhrai, a key Yeltsin aide, attended the meeting of regional leaders in an apparent bid to avert any direct attempt to challenge the president. He did not sign the statement.

The meeting, which was attended by the heads of 40 out of 68 regional councils along with nine regional administrative leaders, was called to discuss ways to resolve the current standoff in Moscow between Yeltsin and the parliament.

The leaders also urged that a federation council, which Yeltsin envisaged as the embryo of a future upper house of a new-style parliament, meet by October 1 to discuss how the proposed elections would be held. The leaders added that they themselves should all be on the council.

### Northeast Asia

#### Kim Il-song Receives New Chinese Ambassador

OW2509092993 Beijing Central People's Radio  
Network in Mandarin 1700 GMT 24 Sep 93

[From the "International News" program]

[Text] Qiao Zhonghuai, newly appointed Chinese ambassador to Korea, presented his credentials to Korean President Kim Il-song at the Kumsusan Conference Hall on 24 September.

After receiving the credentials, Kim Il-song had a cordial and friendly conversation with Ambassador Qiao Zhonghuai. Kim Il-song said: Korean and Chinese peoples are members and brothers of the same family. The peoples of the two countries should unite more closely and firmly safeguard socialism.

Kim Il-song hoped that Ambassador Qiao would do more for the friendly relations already existing between the two countries.

Ambassador Qiao indicated: Sino-Korean friendship was forged and nurtured by revolutionaries of the older generation—such as Mao Zedong, Zhou Enlai, and Deng Xiaoping—and President Kim Il-song. It is an unwavering policy of the Chinese Government to consolidate and develop this traditional friendship.

#### NPC's Li Peiyao Receives DPRK Journalists

OW2709064893 Beijing XINHUA in English 0626  
GMT 27 Sep 93

[Text] Beijing, September 27 (XINHUA)—Li Peiyao, vice-chairman of the Standing Committee of China's National People's Congress, met here this morning with a delegation from the Democratic People's Republic of Korea (DPRK) headed by Li Yong-hyok, deputy editor-in-chief of the "NODONG SINMUN", and they held cordial and friendly talks.

Taking part in the meeting were Pae Yong-chae, charge d'affaires ad interim of the DPRK Embassy in China, and Li Renchen, deputy editor-in-chief of the "PEOPLE'S DAILY" [RENMIN RIBAO].

The DPRK guests will also visit Nanjing, Changzhou, Suzhou and Guilin.

#### DPRK Marks Founding Anniversary in Liaoning

SK2309141593 Shenyang LIAONING RIBAO in  
Chinese 10 Sep 93 p 1

[Text] On the afternoon of 8 September, the DPRK General Consulate in Shenyang held a reception at Youyuan Guesthouse to celebrate the 45th founding anniversary of the DPRK.

Xu Wencai, standing committee member and secretary general of the provincial party committee, and Yu Jingqing, deputy director of the provincial people's association for friendship with foreign countries and director of the provincial China-DPRK friendship association, were

invited to the reception. Cho Kil-chun, consul general of the DPRK General Consulate in Shenyang, and Xu Wencai, secretary general of the provincial party committee, made speeches at the reception one after another. The participants in the reception watched the DPRK documentary film "Celebrating the 40th Anniversary of the Victory in the Fatherland Liberation War of the DPRK."

On 9 September, the provincial people's association for friendship with foreign countries and the provincial China-DPRK friendship association held a reception at Fenghuang Hotel in Shenyang to celebrate the 45th founding anniversary of the DPRK. Invited to the reception were Cho Kil-chun, consul general of the DPRK General Consulate in Shenyang, and his wife as well as various consuls and their wives. Also invited to the reception were the DPRK comrades working and studying in Shenyang as well as representatives of DPRK nationals residing in China. Shang Wen, deputy secretary of the provincial party committee and deputy director of the provincial people's association for friendship with foreign countries, attended the reception and delivered an ebullient speech.

#### CPC Goodwill Delegation Leaves for DPRK

OW2709023093 Beijing XINHUA in English 0214  
GMT 27 Sep 93

[Text] Beijing, September 27 (XINHUA)—A six-member goodwill delegation of the Communist Party of China (CPC) left here by air this morning on a goodwill visit to the Democratic People's Republic of Korea.

The Chinese will be the guests of the Central Committee of the Korean Workers' Party.

The group is headed by Ding Fengying, member of the Central Commission for Discipline Inspection of CPC and Standing Committee member of the Hubei Provincial Party Committee.

#### Vice Premier Li Lanqing Leaves for ROK

OW2709023293 Beijing XINHUA in English 0152  
GMT 27 Sep 93

[Text] Shanghai, September 27 (XINHUA)—Chinese Vice-Premier Li Lanqing left here this morning for the Republic of Korea (ROK) at head of a government delegation at the invitation of the ROK Government.

During the visit, Li will attend and preside over the ceremony of the Chinese pavilion day of the Taejon International Exposition Korea 1993.

The Mayor of Shanghai Huang Ju was among those seeing the delegation off at the airport.

#### Arrives in Seoul

OW2709064293 Beijing XINHUA in English 0617  
GMT 27 Sep 93

[Text] Seoul, September 27 (XINHUA)—Chinese Vice-Prime Minister Li Lanqing arrived here Monday afternoon



[27 September] for a seven-day official visit at the invitation of the government of the Republic of Korea.

Li is the second Chinese vice-prime minister to visit Republic of Korea since the two countries established diplomatic relations in August 1992.

During his visit, Li will meet with President Kim Yong-sam and attend a ceremony celebrating the national day of China on October 1 in the Chinese pavilion in the on-going Taejon World Exposition.

Li will also visit some Korean enterprises and meet some Korean businessmen and entrepreneurs.

Chinese Vice-Prime Minister and Foreign Minister Qian Qichen visited the Republic of Korea May 26-29 this year.

### **Heilongjiang Holds Investment Symposium in ROK**

SK2409142993 Harbin HEILONGJIANG RIBAO in Chinese 14 Sep 93 pp 1, 2

[By reporter Duan Wenbin (3008 2429 2430): "Heilongjiang Holds Symposium on Inviting Business and Bringing in Capital in the ROK"]

[Excerpts] The opening ceremony of the provincial symposium on foreign economic and technological cooperation was held at the Renaissance Hotel of the ROK on the afternoon of 13 September.

The ROK entrepreneurs were very interested in the symposium. Nearly 900 people attended the opening ceremony. The meeting hall, with a seating capacity of 500, was filled with people. Those who arrived late had to stand behind the seats. Many people who failed to enter the meeting hall had to stand in the lobby outside the meeting hall to hear the situation of the opening ceremony. Eight hundred sets of data with information to absorb business and bring in capital that had been placed on the signature desk, were all distributed in a short period of time. The authoritative persons there said that such a grand occasion had never been seen at any business invitation and capital import symposiums held by other provinces of China.

The Chinese Embassy to the ROK has vigorously supported the organization of the symposium. Zhang Tingyan, ambassador of the Chinese Embassy to the ROK; and Xie Qihua, deputy chief of mission in the ROK, attended the opening ceremony of the symposium. Jiao Zhimin, who once won the world table tennis championship and is from Heilongjiang, was also invited to attend the opening ceremony.

Present at the opening ceremony were well-known personalities in the ROK, including Mr. Pak Yong-to, president of the Korean Trade Promotion Corporation; Mr. Chang Dok-chin, director of the Continent Research Institute of Korea; and Mr. Yi Sang-uk, executive director of the Munhwa Broadcasting Corporation of Korea.

A news briefing was held before the opening of the symposium. Thirteen key news media units in the ROK, including HANGUK ILBO, CHOSON ILBO, TONG-A

ILBO, YONHAP NEWS AGENCY, MBC Television Station, and SBS Television Station, dispatched reporters to attend the news briefing and also started to gather news from the symposium.

At the news briefing and the opening ceremony, Cong Fukui, vice governor of the provincial government and head of the business invitation group, respectively introduced the purpose of the symposium to the Korean reporters and the friends of all circles. He said: At this time, Heilongjiang Province is holding the symposium in the ROK with a view to further expanding the scale of opening the province to the outside world, widely making friends, inviting businessmen, bringing in capital, and developing cooperation. We hope that both sides will adopt the forms of joint investment, wholly funded cooperation, processing of imported materials, compensation trade, and government loans to bring in capital, technology, skilled persons, equipment, and advanced managerial experiences for Heilongjiang's industrial enterprises with major technological transformation tasks and capital construction projects. We also hope to adopt other forms to find new development opportunities for some small enterprises. Simultaneously, through this symposium, we will be able to disseminate and introduce Heilongjiang, make increasingly more enterprises understand foreign markets, further enhance the friendship with old friends, establish a number of new friends, and lay a foundation for extensive cooperation in the future.

He also introduced to the Korean friends Heilongjiang's investment environment and preferential policies to invite businessmen and bring in capital. [passage omitted]

A total of 100 personnel of our side participated in this symposium. They were leaders of the enterprises in various localities of the province and responsible persons of the departments under the provincial government. The symposium will be held from 13 to 16 September. After the symposium, the participants will attend the ongoing Taejon Expo.

### **NPC's Li Peiyao Receives Mongolian Visitors**

OW2509140393 Beijing XINHUA in English 1245 GMT 25 Sep 93

[Text] Beijing, September (XINHUA)—Li Peiyao, vice chairman of the Standing Committee of China's National People's Congress (NPC), met here today with B. Ligden, chairman of the Mongolian Peace Committee, and his party.

### **Southeast Asia & Pacific**

#### **Jiang Zemin Congratulates Sihanouk on Coronation**

OW2509095093 Beijing XINHUA in English 0935 GMT 25 Sep 93

[Text] Beijing, September 25 (XINHUA)—Chinese President Jiang Zemin today sent a message to Norodom Sihanouk, congratulating him on taking the throne as the king of Cambodia.

The message called Sihanouk "a leader deeply loved by the Cambodian people and a far-sighted politician".

"For many years, Your Majesty has made unremitting efforts for the independence, sovereignty, peace, unity and territorial integrity of Cambodia and for promoting national reconciliation and safeguarding peace and stability, and has made important contributions in this regard," the message said.

The message expressed the hope that Sino-Cambodian relations of friendly cooperation will be further consolidated and developed in the new era of peaceful reconstruction in Cambodia.

#### **Publishing Delegation Signs Accords in Vietnam**

OW2709065593 Beijing XINHUA in English 0606  
GMT 27 Sep 93

[Text] Hanoi, September 27 (XINHUA)—China and Vietnam are going to cooperate in book publishing by providing each other with copy rights on books and other literary works, according to a visiting delegation here from China's People's Publishing House.

The delegation, led by the assistant editor-in-chief of the People's Publishing House Zhang Zuoyao, signed a number of deals with the Political Publishing House of Vietnam, mostly of them on providing each other copy-rights for translating books and literary works published by each of them.

The Political Publishing House of Vietnam has already translated ten books published by the Chinese publishing house into Vietnamese, including those of works by Chinese leaders Jiang Zemin and Li Peng.

The People's Publishing House specializes in publishing works by Chinese leaders and documents of the Chinese Government and party.

#### **RENMIN RIBAO Delegation Visits Vietnam**

OW2709070493 Beijing XINHUA in English 0650  
GMT 27 Sep 93

[Text] Hanoi, September 27 (XINHUA)—A delegation from the "PEOPLE'S DAILY" [RENMIN RIBAO] newspaper of China Monday [27 September] ended a visit here after meeting some Vietnamese colleagues and visiting some cities and villages in the country.

The delegation, headed by the assistant editor-in-chief of "PEOPLE'S DAILY" Wu Chunhe, came on September 20 at the invitation of the "NHAN DAN" (PEOPLE'S PRESS) newspaper of Vietnam, and toured Hanoi, Ho Chi Minh city, Ha Bac Province and Ba Ria-vung Tau Province.

#### **Luo Gan Receives Philippine Judicial Delegation**

OW2509090793 Beijing XINHUA in English 0839  
GMT 25 Sep 93

[Text] Beijing, September 25 (XINHUA)—Luo Gan, Chinese state councillor and secretary-general of the State

Council, met with Franklin Drilon, minister of justice of the Philippines, and his party here this afternoon.

The Philippine visitors arrived here September 22 as guests of the Chinese Ministry of Justice.

### **Near East & South Asia**

#### **India's Sonia Gandhi Arrives; Meets Leaders**

OW2509103393 Beijing XINHUA in English 0943  
GMT 25 Sep 93

[Text] Beijing, September 25 (XINHUA)—Sonia Gandhi, the widow of the late Indian Prime Minister Rajiv Gandhi, said here today that she wants to contribute to the development of Sino-Indian relations in her "small way".

Chen Muhua, vice-chairwoman of the Standing Committee of China's National People's Congress (NPC) and president of the All-China Women's Federation (ACWF), met with Sonia Gandhi this afternoon in the Great Hall of the People.

Chen briefed Gandhi on the organization and operations of the ACWF, and they exchanged views on such issues as children's education and family planning.

In another development, Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, had a cordial talk with Sonia Gandhi this morning in the Diaoyutai State Guesthouse.

Liu recounted talks with Rajiv Gandhi during his visit to India six years ago, and said that Rajiv Gandhi's visit to China in 1988 opened a new era in Sino-Indian relations.

The assassination of Rajiv Gandhi was a great loss not only to the Indian people, but also to the history of friendship between the two countries, Liu said.

Rajiv Gandhi believed in peace and friendship between neighboring countries, said Sonia Gandhi, adding that the active results of his visit to China in 1988 are recognized by the two peoples.

The Indian people are optimistic about the results of the recent visit to China by Indian Prime Minister Narasimha Rao, Sonia Gandhi said. She added that she would like to do what she can to contribute to friendship between the two countries.

After meeting with Liu, Sonia visited the China Rehabilitation Research Center. There, Gandhi met with Deng Pufang, chairman of the China Disabled Persons Federation.

Deng described peace and friendship between the two countries as fortunate for the two billion people of China and India. He extended a warm welcome to Gandhi and briefed her on the rehabilitation, education and employment of disabled persons in China.

Sonia Gandhi, who is the chairperson of the Rajiv Gandhi Foundation, said that an important part of the foundation's work is to help India's handicapped. She said she

hoped the two countries will establish more frequent exchanges in the area of rehabilitation.

Gandhi arrived here yesterday as guest of the Chinese People's Institute of Foreign Affairs.

#### **Li Peng Fetes Sonia Gandhi**

*OW2509134993 Beijing XINHUA in English 1328  
GMT 25 Sep 93*

[Text] Beijing, September 25 (XINHUA)—Chinese Premier Li Peng hosted a dinner here this evening for Sonia Gandhi, widow of the late Indian Prime Minister Rajiv Gandhi.

Extending a warm welcome to Sonia Gandhi at their meeting before the dinner, Li spoke highly of late Prime Minister Rajiv Gandhi's tour of China in 1988, calling that "a very important visit" and "a new starting-point" for Sino-Indian relations, which he said, owe much of their accomplishments today to contributions made by Rajiv Gandhi.

In what a Chinese official described as "a friendly and cordial conversation," Li recalled his visit to India in 1991 and gave an account of Indian Prime Minister Narasimha Rao's recent trip to China.

The exchange of visits by Chinese and Indian leaders have served to promote the over-all improvement and development of Sino-Indian ties, Li said, noting that during Rao's visit, the two countries signed an agreement on maintaining peace and tranquillity along the Sino-Indian border.

"We have reasserted a mutual understanding that while the border issues remains unsolved, this should not affect the expansion of friendly cooperation in the various fields of bilateral ties," Li said.

Both being developing nations, China and India have no fundamental conflicts of interest and have every reason to be friendly with each other, he said.

"During your current visit, whether in Beijing or elsewhere, you will personally experience the Chinese people's friendly feelings towards their Indian counterparts, and anywhere you go, you are sure to receive a warm welcome," Li told Sonia Gandhi.

Sonia Gandhi said she was very happy to be with friends again and Premier Li Peng's high evaluation of Rajiv Gandhi's contribution deeply touched her. Her husband came in 1988 with a strong belief in peace and friendship, Sonia Gandhi added.

She voiced agreement with Li's remark that India and China have no reason not to be friendly with each other. She said she had taken note of Prime Minister Rao's recent successful visit to China and the Indian people highly value the agreement signed during the trip.

Sonia Gandhi said that with her trip, she expected to enhance her understanding of and friendship with the Chinese people.

Li Peng's wife Zhu Lin took part in the meeting and the banquet.

#### **Qureshi: Pakistan To Continue Nuclear Program**

*OW2609043993 Beijing XINHUA in English 0415  
GMT 26 Sep 93*

[Text] Islamabad, September 26 (XINHUA)—Pakistan has denied any change in its nuclear stand and said it will not roll back nuclear program unilaterally as long as India retains nuclear weapon capability.

The denial came after local press reported that Prime Minister Moin Qureshi said Pakistan has stopped its nuclear program in a recent interview with some local journalists.

A number of statements have appeared in a section of the press regarding Pakistan's nuclear program which totally misinterpreted and distorted the prime minister's remarks in this respect, said a statement of prime minister's house which was published here today. [sentence as received]

The prime minister, in the interview, has reaffirmed Pakistan's existing and long standing policy on the nuclear issue, and there is absolutely no change in Pakistan's stand the statement said.

Pakistan's nuclear program is for peaceful purposes. Pakistan has acquired a nuclear capability, but it is not making nuclear weapons, it said.

Pakistan will not foreclose the nuclear option as long as India which has exploded a nuclear device in 1974, retains its nuclear weapons capability, the statement added.

Under no circumstances will Pakistan forego its capability unilaterally, nor shall Pakistan roll back its nuclear program, it said.

#### **NPC Vice Chairman Receives Kuwaiti Governors**

*OW2509140193 Beijing XINHUA in English 1309  
GMT 25 Sep 93*

[Kuwaiti names as received]

[Text] Beijing, September 25 (XINHUA)—Wang Guangying, vice-chairman of China's National People's Congress (NPC) Standing Committee, met here this evening with a provincial governors' delegation from Kuwait, and hosted a dinner in their honor.

The delegation, jointly headed by Da'ud al-Salih, governor of the Hawalli Province, and Ibrahim Mudaf [name as received], governor of al-Farwaniyah Province, arrived here yesterday as guests of the Chinese People's Association for Friendship With Foreign Countries. In addition to Beijing, they have toured Guangzhou and Hangzhou and are also scheduled to visit Shanghai.

#### **Mauritanian President Departs Dalian for Xiamen**

*SK2209133493 Shenyang Liaoning People's Radio  
Network in Mandarin 1000 GMT 21 Sep 93*

[Text] After winding up the two-day visit to Dalian, Maaouya Ould Sid Ahmed Taya, president of Mauritania,

and his entourage left Dalian for Xiamen by special plane this afternoon, in the company of Zhu Xun, minister of geology and mineral resources and head of the Chinese accompanying group.

President Taya arrived in Dalian from Beijing by special plane on the afternoon of 19 September. That very evening, he attended the closing ceremony of the fifth Dalian international fashion festival. Then, he visited Dalian Port, Dalian Development Zone, Liaoning Sea Fishery Company, Dalian Aquatic Products Research Institute, and [words indistinct] plant in (Xinzhaizi) town. He also toured the coastal highway and (Shenjin) Dalian Commercial Building.

When President Taya arrived in and departed Dalian, Comrade Bo Xilai, mayor of Dalian city, met and saw him off at airport.

#### **Ends Visit; Leaves for Home**

OW2409091793 Beijing XINHUA in English 0853  
GMT 24 Sep 93

[Text] Xiamen, September 24 (XINHUA)—President Maaouiya Ould Sid'Ahmed Taya of Mauritania and his party left here for home by special plane this morning at the end of his week-long official and goodwill visit to China.

Taya and his party arrived here from Dalian on September 21 in the company of Zhu Xun, chairman of the Chinese Government Reception Committee and minister of geology and mineral resources.

Jia Qinglin, governor of Fujian Province, and Zhang Zongxu, vice-mayor of Xiamen City, met with and gave a banquet for Taya and his party.

During their stay in Xiamen, the Mauritanian guests visited enterprises funded respectively by Malaysia, the United States as well as Hong Kong and Taiwan, a high-tech development zone and the Xiamen bridge.

#### **Sub-Saharan Africa**

##### **Spokesman on Removing South African Sanctions**

OW2509101893 Beijing XINHUA in English 1011  
GMT 25 Sep 93

[Text] Beijing, September 25 (XINHUA)—A Foreign Ministry spokesman said here today that China will make a

positive response to Nelson Mandela's recent appeal for removing sanctions against South Africa.

The spokesman said this in response to a reporter's question. He noted that following the agreement on setting up a transitional Executive Council reached in the multi-party negotiations, the South African Parliament passed a bill on setting up such a council on Thursday.

"We warmly welcome such a new and important development in South Africa's peace process. China will make a positive response to Chairman Mandela's appeal to the international community for removing economic sanctions against South Africa," he said.

##### **Government Gives Interest-Free Loan to Guinea**

OW2509013193 Beijing XINHUA in English 0114  
GMT 25 Sep 93

[Text] Abidjan, September 24 (XINHUA)—China Friday [24 September] provided a loan of 30 million yuan (about 5 million U.S. dollars) without interest to Guinea to finance various development projects in the west African country.

Chinese sources in Conakry, capital of Guinea, said the agreement was signed Friday by Salifou Sylla, the acting foreign minister of Guinea, and Tian Runzhi, vice-minister of exterior trade and economic cooperation of China, who is on a visit in Guinea.

Meanwhile, China is also considering to help build a presidential complex and rehabilitate the People's Palace and the "October 2 Garden" in the Guinean capital.

##### **Ambassador to Eritrea Presents Credentials**

OW2409142493 Beijing Central People's Radio  
Network in Mandarin 1700 GMT 20 Sep 93

[From the "International News" program]

[Text] (Zhang Xuhua), first Chinese ambassador to Eritrea, presented credentials on 17 September to Eritrean President Isayas Afewerki. Afewerki said the Chinese ambassador's arrival indicated the importance that China attaches to Eritrea. He hoped relations between Eritrea and China would continue to develop and strengthen.

Zhang Xuhua conveyed President Jiang Zemin's regards to President Afewerki.



### Political & Social

#### Hong Kong Journalist Detained for 'Stealing, Spying'

OW2709091293 Beijing XINHUA Domestic Service in Chinese 0735 GMT 27 Sep 93

[Text] Beijing, 27 Sep (XINHUA)—Xi Yang [1598 2254], a reporter for the Hong Kong journal MING PAO, was detained for interrogation by the Beijing State Security Bureau on 27 September for stealing and spying on financial secrets of the state, in violation the PRC State Security Law.

Earlier, our state security authorities seized the personnel related to this case.

Investigation of this case is still underway.

#### 'State Secrets on Banking' Involved

OW2709092793 Beijing XINHUA in English 0901 GMT 27 Sep 93

[Text] Beijing, September 27 (XINHUA)—Xi Yang, a correspondent of the Hong Kong-based newspaper "MING PAO", was detained by the Municipal State Security Bureau of Beijing today on charge of espionage regarding state secrets on banking, according to official sources.

Xi's activities had violated the State Security Law, the sources said.

The sources added that all the other people involved in the case had previously been caught by state security departments.

The case is still under investigation.

#### Detention Followed Deng Pufang Interview

HK2709110993 Hong Kong AFP in English 1025 GMT 27 Sep 93

[Text] Beijing, Sept 27 (AFP)—Chinese authorities detained a Hong Kong reporter Monday on spying charges, only three days after he interviewed the eldest son of paramount leader Deng Xiaoping. Xi Yang, a staff reporter for Hong Kong's influential MING PAO newspaper, was detained by the Beijing state security bureau on "a charge of espionage regarding state secrets on banking," the state-run XINHUA NEWS AGENCY said. Quoting official sources, XINHUA accused him of violating state security laws. It also said other people involved in the case had already been caught. XINHUA gave no further details, saying the case was still under investigation.

In Hong Kong, the report of Xi's arrest—only three days after he had interviewed Deng Pufang in the Chinese capital—took the respected Chinese-language daily newspaper by surprise. "We are now trying to understand through our contacts why he has been arrested," deputy editor Simon Fung said.

In his interview Friday with Xi, excerpts of which appeared Sunday in MING PAO, the younger Deng said

there was no turning back from China's policy of market-oriented economic reforms. Deng, who is widely believed to be close to his 89-year-old father, also said that anyone who tried to turn back the tide of reform in China would fail to earn public support.

#### Deng Pufang Discusses Issues Concerning Handicapped

HK2609084793 Hong Kong MING PAO in Chinese 26 Sep 93 p 1

["Feature" by staff reporter: "Sidelight of an Interview With Deng Pufang"]

[Text] On the morning of 24 September, MING PAO interviewed Deng Pufang, president of the Chinese Federation for the Disabled and director in chief of the China Welfare Fund for the Handicapped, on the work conditions of these two organizations and other issues concerning China's handicapped people.

On that morning, the result of the Olympic bid was announced, and we worried that Deng Pufang might not have had a sound sleep and his health and mood might be affected. At 0925, the door of the conference room of the federation opened and, with the help of work personnel, Deng Pufang moved his wheelchair into the room. He was in high spirits.

He asked loudly after entering the room: "Are they the interviewers? Please make an introduction." "Who will make the introduction?" An official of the federation accompanying us said: "Let me do this." Deng said with a smile: "Then, please do this quickly." Then he quickly turned the wheelchair to the other side of the table, and shook hands with every reporter from MING PAO after introductions were made by the federation official. After shaking hands, he said: "All of you, please, sit down."

Deng Pufang asked the reporters to sit closer to him in order to make the interview more convenient. He first mentioned the result of the Olympic bid and then formerly began the interview.

Deng Pufang first said that he received a notice to attend a State Council meeting that morning, so time for the interview would be short. He said politely: "I am indeed sorry for that." Then he said: "I express gratitude for our MING PAO friends for such support and care for the well-being of Chinese handicapped people."

Deng Pufang also asked: "Shall we discuss something first, or may I first say something and then you ask me questions?" After the reporters answered, he began to talk with fervor and assurance.

What he said showed that Deng Pufang knew the development of the undertakings for Chinese handicapped people very well. His words were concise, and his thoughts were quick and clear. His sonorous voice and bright piercing eyes were impressive. When mentioning something important, he often opened his eyes wide and used stressing

tones. He did not make many gestures when speaking, but his hands were sometimes put apart and sometimes put together.

He had a cup with a diameter of some 15 centimeters, and many people guessed that he drank tonic with it. It was later learned by MING PAO reporters that Deng Pufang needs to drink water continuously in order to support his kidneys, because his kidneys do not function well and 80 percent of his skin cannot sweat. The cup just held fresh water. During the interview, Deng Pufang spoke full of zest, and did not drink any water.

Before the interview, we were told that Deng would have to attend a meeting, and the interview would last until 0950. But Deng talked until 1000. He said: Sorry, he was late, and the interview had to end.

When shaking hands to say goodbye, MING PAO reporters asked Deng Pufang to convey their regards to Deng Xiaoping, and also showed him the MING PAO issue carrying reports about Deng Rong's ceremony for the publishing of her book *My Father, Deng Xiaoping*. When seeing the newspaper, Deng Pufang smiled happily and said: "Very good, very good, it's indeed very good." He also kept that MING PAO issue. Deng Pufang once again thanked MING PAO for its care regarding the undertakings of handicapped people, and also said with a smile: "Convey my regards to your boss."

#### **RENMIN RIBAO Chief Reportedly Offers To Resign**

HK2509060493 Hong Kong *THE STANDARD* in English 25 Sep 93 p 7

[By Agnes Cheung]

[Text] Shao Huaze, head of the People's Daily [RENMIN RIBAO], has offered to leave the mouthpiece of the Chinese Communist Party. His transfer is expected to trigger a new round of top personnel changes at the newspaper. "Shao wants to return to the People's Liberation Army (PLA). He is likely to become the second political commissar of the Academy of Military Sciences or of the Military and Political Academy," a source at the People's Daily said.

Shao, director and editor-in-chief of the leading newspaper, was said to have offered his resignation. Sources said Shao did not want to stay on because of difficulties in handling his subordinates and the current problems within the news organisation.

A strong candidate to succeed Shao is Fan Jingyi, director and editor-in-chief of the Economic Daily. One source said Fan had, however, expressed unwillingness to take over Shao's position. "The directorship of the party's mouthpiece has always been a hot potato. Few people want to take that job," the source said.

At a recent editorial board meeting, Shao was attacked by board member Bao Yujun for continuing the conservative editorial line and for keeping on people appointed by former director Gao Di, sources said. Earlier, party chief

Jiang Zemin summoned Shao to criticise the mistakes made by the news organisation. Journalists at the newspaper have recently been arrested for accepting bribery; the newspaper has been accused of the illegal sale of passports to peasants; and one of its magazines reprinted a story from Hong Kong on Deng Xiaoping's remarks on press freedom.

Shao was promoted to director of the People's Daily after the 14th National Party Congress in October 1992. He replaced hardliner Gao Di. He joined the People's Daily after the 4 June crackdown on the pro-democracy movement in 1989. Prior to that he had served as the propaganda head of the PLA's General Political Department and as director of Liberation Army Daily [JIEFANGJUN BAO]. Shao would like to return to the PLA because of his longstanding ties with the organisation.

#### **Dissident Wei Jingsheng Discusses Democracy, Prison**

HK2609070193 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 26 Sep 93 p 12

[Report by Geoffrey Crothall]

[Text] The fact that Wei Jingsheng survived more than 14 years in one of the world's toughest jail systems is testament not only to his iron will but also to the singular failure of China's penal system to do what it is supposed to, namely reform criminals through labour.

On the contrary, for China's most famous political prisoner, jail provided an opportunity to further develop and enhance his ideas on democracy, social, political and economic development. He even wrote to state and Communist Party leaders explaining those ideas and suggesting ways of acting on them. Now he is free, albeit on parole, and Mr Wei plans to have those letters published abroad, probably in Hong Kong.

"My thinking has definitely moved forward and become richer since the days of Democracy Wall," he said in an interview with the Sunday Morning Post. "I still think my ideas then were correct but they were relatively simple. I've now had time to expand those ideas."

And, of course, it is not only Mr Wei who has emerged from long periods of imprisonment unbowed and vowing to continue the fight for democracy. Almost all the political prisoners released this year have proclaimed their faith in democracy to be intact.

"There is a popular song called I'm Still the Same Old Me. I think that best expresses my meaning," said Xu Wenli when he was released after more than 12 years in solitary confinement. Mr Xu, known in jail as Special Prisoner No 1, was arrested in 1981 for "plotting to establish a counter-revolutionary clique" but emerged in May this year unrepentant and repeatedly stressing he had done nothing wrong.

"I committed no crime. What I did, I did for my country," he said. Former leader of the 1989 student movement Wang Dan was likewise defiant after being released from

almost four years in jail. Asked only hours after his release if he would continue his fight for democracy, the former Beijing University student replied: "That is my greatest dream."

Despite suffering in prison, People's Daily [RENMIN RIBAO] editor Wu Xuecan and the Xian-based scholar Li Guiren were also "still the same old me" when finally set free.

So what is it about the Chinese penal system which proclaims that all criminals can be reformed into good communist citizens that has so patently failed to work its magic? Mr Wei explains: "Chinese people are accustomed to brainwashing. It is no longer practised now but in the past it was a common practice, not only among prisoners but also the public.

"But, no matter how many times people are brainwashed, they still have the ability to think. They know what they are being told is not true and this has led to numerous democratic movements. This proves brainwashing is not a successful measure. Moreover, ordinary Chinese people have all been through the wash and they gradually develop a kind of 'antibody' towards it."

Speaking at his father's apartment in western Beijing last week, Mr Wei said his jailers never even bothered to "educate" him in prison. "They knew their efforts would be in vain, so they decided to save their energy," he said with a chuckle. Although he has only been out of jail for little more than a week, the former Democracy Wall activist has rapidly come to terms with the new Beijing, a city which has undergone tremendous change since 1979.

"At first glance it looks completely different but if you look beneath the surface, the old, poor quality, low-rise housing where a lot of people live has not changed at all, that's still the same," he said.

Social and political change has also come under the critical glare of the 44-year-old electrician and he has mixed feelings about what he sees. "There has been some progress, although the party is still in control. There is more flexibility. China is changing, so how can the Communist Party remain unchanged?"

"The question is whether that change can keep up with the pace of change in society. If it can't, then I'm afraid what has happened in the Soviet Union and Eastern Europe will happen here. People will rise up and topple the government and then there will be turmoil and no one will benefit from that. I hope party members will be wise enough to keep pace with the wishes of the people and thus achieve a smooth transition."

Mr Wei said the Communist Party's revolutionary tradition did not provide a sound basis for a democratic society. "Britain managed to establish a democratic system without revolution but the French Revolution led to autocracy as did the revolutions in China and Russia even though their intentions might have been otherwise. It is my view, looking at history, that democracy is very hard to achieve through violent revolution."

But, Mr Wei was hopeful the party would heed the demands for change coming from the public. "I think the wiser sector (of the party) is gradually getting the upper hand. But I really need more time to observe the situation," he said.

The current generation of leaders, President Jiang Zemin, Premier Li Peng and Vice-Premier Zhu Rongji, was different from those running the show in 1979, he said. "They are very different in their mannerisms, knowledge and ideas, but who knows to what extent they have really changed?"

Mr Wei is optimistic about the democracy movement, which he has pledged to rejoin, the conditions of his parole permitting. "The biggest problem with the 1979 movement was that the well-known intellectuals were quite weak and timid. They didn't dare make contact with us," he said. "The atmosphere in 1989 was much better and they all aired their views in public."

Indeed, two of the best known intellectuals in the 1989 movement, Mr Wang and literary critic Liu Xiaobo paid a visit to Mr Wei last Thursday, bringing the modern democracy movement full circle. Mr Wei spent most of the meeting asking questions about contemporary China and the international situation. As he explained: "I've got a lot of catching up to do."

From talking to Mr Wei, it is clear reports of him being mentally traumatised by his time in prison are incorrect. His mind is sound and he has witty and ready answers. Nevertheless, the pain and discomfort Mr Wei suffered during his incarceration should not be under-estimated.

He spent almost a decade in the gulags of Qinghai in the far west of China before being moved in 1989 to a labour camp to the east of Tianjin. Mr Wei will never forget the inhuman treatment he has suffered and is considering asking for compensation when the time is right. "If legal conditions in China improve, that is something I will have to consider but right now there's no point."

### Leaders of 1979, 1989 Democracy Movements Meet

HK2509060093 Hong Kong SOUTH CHINA MORNING POST in English 25 Sep 93 p 1

[By Geoffrey Crothall in Beijing]

[Text] The leaders of the 1979 Democracy Wall movement and the 1989 student movement have come face-to-face for the first time in Beijing. Wang Dan, widely considered to be the brains behind the 1989 student movement paid an impromptu visit to the home of China's best-known dissident Wei Jingsheng on Thursday evening [23 September].

Wang was only nine-years-old when Wei was arrested in the spring of 1979 for writing articles critical of senior leader Deng Xiaoping. But Wei became a cause celebre of the student movement 10 years later and demands for his release became one of the focal points of early demonstrations Wang helped organise.

The former Beijing University student has publicly voiced his admiration for Wei and, after hearing that Wei had been released, was one of the first to arrive at the family's apartment last week. Wei, however, was kept away from his parents' home for a week and has been besieged by journalists in the days following his return.

Wang turned up at the apartment, accompanied by Beijing-based literary critic Liu Xiaobo, at about 8 pm and the three men talked for about an hour about the situation in the capital. "I just wanted to see him because I think he is a great guy and see how his health was," Wang said yesterday. Wang left copies of articles he had written with Wei.

Although Wei professed himself a little surprised how young Wang, 20 years his junior, actually was, his initial impression of the former history major was favourable. "He's quite an intelligent child," Wei said, "his mind is still relatively pure".

### Two Killed in Environmental Pollution Incident

HK2709124893 Guangzhou NANFANG ZHOUMO in Chinese 24 Sep 93 p 5

[Article by Ran Xiaoling (0373 1420 7227) and Wang Hengzhen (3769 1854 4176): "A Bloody Day of Sacrifice—A Murder Case Caused by Environmental Pollution"]

[Text] The day 14 August 1993 was a bloody day of sacrifice for Factory No. 471 of the China Nuclear Industrial Corporation. At about 1000, a sudden, almost massacre-like, bloody incident fell from the sky like thunder, leaving everyone in the factory at a loss. No one could believe that this was bloodshed in living reality.

Many people who witnessed the incident said that they had never seen such a bloody, tragic incident beyond compare in this world.

- A 60-year-old retired worker was knocked down with a shovel. Then both his legs were broken in three places with rods and a sharp two-pronged steel fork pierced his head from his nose. He was cut from head to legs by sharp weapons, suffering 17 bone-exposing wounds.
- Xu Jun, an electrical worker who had worked at the factory for only four months, was attacked by a group of people with knives. Even his genitals were cut off.
- On the brink of death, a retired worker was fighting for survival. Bloody urine could be seen in his bedpan.
- A dozen or so victims with all kinds of wounds in other wards were given emergency treatment. They were groaning with pain.

When we hurried to the scene, riot police had already cordoned off Factory No. 471 and Lanquan Chemical Factory. But we could see paper and cloth posters, some even several dozen meters long, hung at the entrance to the factory, in the factory area, and on the walls of the family complex, grievously mourning the dead and indignantly condemning the murderers. The wreaths laid in front of the hospital and office building were too many to count.

Mourners with white flowers on their chests and black bands around their arms kept coming, crying. The mourning hall arranged for the two dead workers was solemn; the long, low, and deep dirge in the hall made the mourners feel too deeply grieved to breathe.

Grief and indignation had already rendered the workers of Factory No. 471 devoid of coolness and reason. A feeling of being baffled about the situation ran high in the entire factory.

### They Were Once the Pride of the Republic

Factory No. 471 of the China Nuclear Industrial Corporation is located 50 km slightly northwest of Lanzhou City. Surrounded by mountains, the terrain is precipitous. The turbulent Huang He runs through the middle of the basin and the Lanzhou-Lianyungang railway divides into two lines here, one being the Lanzhou-Qinghai railway and the other the Lanzhou-Xinjiang railway. These are main railway lines.

Built in the 1950's, Factory No. 471 was a top secret unit of the state at that time. It was one of the favorites in the then national defense industry. Recalling the past, a veteran comrade sighed: "In the past, our factory could operate uninterrupted under Premier Zhou's orders!"

In the 1980's, it was turned into a civilian-type factory and was no longer confidential. In the wave of reform and opening up, the factory workers worked out methods to cope with market demands and earn more money. They lived a prosperous yet peaceful life.

Maquan village of Dongchuan township under Lanzhou City's Xigu district is located to the south of the factory. For many years, the factory workers had consumed the vegetables produced by Maquan villagers. The main highway to Maquan village also passes by the family complex and the factory entrance. The factory and the village had coexisted peacefully.

But contradictions sometimes arise, escalate, and develop in such a peaceful situation.

### Children Began To Wear Gas Masks

In the period before 1992, the organic chemical factory of the Lanzhou Chemical Industrial Company and Maquan village cooperated in building a chemical factory in the village to manufacture sulfuric acid and carbon bisulphide. As reported, the factory invested 6.5 million yuan and planned for an annual output value of 13 million yuan, with an annual profit of 2 million yuan. Maquan village provided the site and the organic chemical factory provided the raw materials and technology. This gratifying decision was, of course, implemented without delay and the project was speeded up. The chemical factory formally conducted trial production in November 1992. We do not know whether or not they had paid attention to pollution control in the course of construction or whether or not environmental protection departments had approved the construction of the factory, because no interview was possible as the scene was cordoned off following the bloody



incident. Judging from what happened subsequently, we understand that the provincial and city environmental protection bureaus knew nothing about it.

After Lanquan Chemical Factory went into production, it began to pollute the fresh and clean air in the vicinity. Staff members, workers, and family members of Factory No. 471 and Factory No. 504 adjacent to it began to notice a smell like gas or smelly preserved eggs. Those with a keen sense of smell thought that it was a gas leak and checked their gas pipes or cylinders, but found nothing. An elderly worker said that he woke up easily and suffered from tracheitis. One midnight, his throat ached and was itchy and he smelled something like gas. Startled, he woke the whole family up and told them to leave the house. But later they knew it was not a gas leak.

At the same time, the waste water draining away from Lanquan Chemical Factory every evening was rushing down close to the natural flood drainage ditch of Factory No. 471. The waste water, yellow, green, blue, and other colors, stank to an extreme degree, and what was even worse, it flowed directly into the Huang He. The water plant of Factory No. 471 was just about 100 meters away from the waste water outlet. Although the waste water pumped into the water plant of Factory No. 471 had gone through a complicated purification process, the running water used by the factory, both for daily and industrial purposes, still gave off an unbearable stink. It stank too much even for flushing the toilet or washing clothes, not to mention drinking and cooking.

The stink came from hydrogen sulphide (H<sub>2</sub>S). Precisely speaking, it is an inorganic compound and a colorless, stinking, inflammable, and poisonous gas, which can be used as a chemical reagent and dyeing material.

The dual pollution of the air and the water posed a direct threat to the living environment of the workers of Factory No. 471 and some 20,000 to 30,000 people living nearby. At nightfall or in the morning, people who used to take a walk, do shadowboxing, or practice qigong outside could not but stay at home and close their doors. In hot summer days, they dared not open the window. Many people had to cover their mouths and noses with wet towels before going to sleep. Some parents even covered their children's faces with gas masks.

According to an investigation by Factory No. 471, since the environment had been polluted, the rate of respiratory diseases had increased by 10 percent over the same period of the previous year. Many people were suffering from headaches, dizziness, laryngitis, or rhinitis, or felt fatigued, sick, or short of breath, or had palpitations. Some workers fainted at work because of breathing difficulties.

From 4 to 27 July this year, six workers who had retired from Factory No. 471 or members of their families had died. The death toll for the month was even higher than that over the past year. Did it have something to do with the pollution?

Animals were no exception. Since the waste water had drained into the ditches of Maquan, where there had been

many fishes, tadpoles, and frogs, these friends of mankind had been wiped out. Not taking precautions, a herdsman allowed his sheep to drink the contaminated water, and five died the following day.

This area was a main strawberry production area of Lanzhou. But the workers of Factory No. 471, who took delight in eating the strawberries in past years, dared not buy any this year. Some even dared not buy any vegetables sold by the peasants from Maquan.

### Clashes Were Continuously Escalating

The workers of Factory No. 471 sent a specimen of the contaminated water to the provincial sanitation and antiepidemic station for laboratory tests. It was clearly pointed out by the water quality analysis report that as there was a smell of hydrogen sulphide, the water was not suitable for drinking! The workers of Factory No. 471 could not but go to the neighboring Factory No. 504 for drinking water.

The right to subsistence of the workers of Factory No. 471 had been trampled on. Being unable to tolerate any more, the factory heads wrote one emergency letter after another to the relevant departments, and the workers, their family members, and even students also wrote letters or made telephone calls to the relevant departments to report the situation. However, just as in other emergency matters, the pace of solution was very slow.

On 5 June, World Environment Day, the United Nations held the ceremony to mark the 20th anniversary of Environment Day in Beijing, the capital of China. That day, in her speech entitled "The Earth Is Losing Patience," Ms. Duodeqiwei [name as transliterated] [duo de qi wei 1122 1795 2601 7279], the new executive director of the United Nations Environmental Program (UNEP), said: "A Buddhist admonition says that 'although the ox walks slowly, the earth has patience.' Unfortunately, the earth is not now as patient as before. Quietly and patiently, it endured our trampling in the past. But now it will no longer do the same." The people of Factory No. 471 had lost patience too. They would not allow their living environment to be contaminated any longer. On 5 June, at about 0900, more than 200 people were organized and went to the Xigu District party committee and government in five trucks. At about 1100, they presented their petition to the city party committee and government.

At 1000 on the morning of 28 June, some 200 to 300 people from Factory No. 471 held a demonstration at Lanquan Chemical Factory, demanding that it stop production. But the people of Lanquan Chemical Factory were not to be outdone. Several hundred people were organized to confront the demonstrators. Then there was fighting between the two sides, in which three people from Lanquan Chemical Factory were injured. It was said one of them was injured seriously.

On the afternoon of 28 June, both the Xigu District CPC Committee secretary and the Xigu District magistrate arrived at Factory No. 471. After being presented with a cup of stinking water taken directly from the water tap, the

magistrate declared in no uncertain terms: First, Lanquan Chemical Factory must cease operation at once; second, Lanquan Chemical Factory must immediately conduct relevant tests; third, Lanquan Chemical Factory must comply with the relevant environmental protection regulations. However, Lanquan Chemical Factory simply turned a deaf ear to those remarks.

In early July, Lanquan Chemical Factory finally ceased operation for fear of being administratively punished. The people of Factory No. 471 gave a sigh of relief. However, the good times did not last long. On 24 July, Lanquan Chemical Factory again released stinking gas and water, polluting the neighboring areas.

Nevertheless, what was gratifying was that the Lanzhou City Environmental Protection Bureau, after conducting a series of tests and investigations, issued on 30 July a strongly worded "Circular on Banning Production at Lanquan Chemical Factory," which stated:

"It is learned that Lanquan Chemical Factory has recently turned on its furnaces in preparation for trial production. In order to prevent disputes about pollution from escalating and to strictly enforce the law and discipline, this bureau now stipulates:

First, as Lanquan Chemical Factory has failed to meet the "three simultaneouslys" environmental protection requirement and violated Article 36 of the "PRC Environmental Protection Law" and Article 2 of the "Environmental Protection Law for Construction Projects" to a serious extent, in order to strictly enforce the environmental protection laws, this bureau now orders Lanquan Chemical Factory to immediately cease its trial production of the relevant materials;

Second, disputes about pollution caused by Lanquan Chemical Factory should be resolved in accordance with the relevant procedures as well as the spirit of the meeting held in the conference room of the Xigu District People's Government on 2 July 1993. Lanquan Chemical Factory should abide by the decision made by the meeting;

Third, Lanquan Chemical Factory must strictly abide by all relevant environmental protection laws and apply to the environmental protection departments before embarking on trial production of the relevant materials. Only after receiving official approval from the environmental protection departments will Lanquan Chemical Factory be allowed to start its trial production; otherwise, it will be severely dealt with in accordance with the law and the relevant decisionmakers and those in charge will be investigated and held responsible for the consequences;

Fourth, should trial production be forcibly started in the absence of official approval, Lanquan Chemical Factory will be held responsible for all the consequences."

However, Lanquan Chemical Factory just turned a blind eye to the document issued by the Lanzhou City Environment Protection Bureau as well as a deaf ear to the opinions of the Xigu District CPC Committee and continued its trial production as if nothing had happened.

On 2 August, the Lanzhou City CPC Committee secretary and Lanzhou City mayor called a meeting in Xigu District and ordered Lanquan Chemical Factory to cease operation and conduct internal rectification at once.

Nonetheless, all the administrative orders were met only with more hostile challenges from the factory.

On 4 August, somebody laid a cement power transmission pole on the road between the residential quarters of Factory No. 471 and Lanquan Chemical Factory. What was strange was that whenever goods vans carrying raw materials to Lanquan Chemical Factory arrived, the cement power transmission pole was removed from the road so as to let the goods vans pass. Afterward, the power transmission pole was laid on the road again. There were people guarding the cement power transmission pole. The same day, some 80-90 people, who claimed to be residents of Maquan village, broke into the office of the Factory No. 471 director and threatened: "If you do not let the goods vans carrying raw materials pass, we will pull down all your power transmission poles as well as your factory wall!"

On the afternoon of 12 August, when passing Factory No. 471, an empty goods van of Lanquan Chemical Factory broke down on the road with a flat tire. About 10 minutes or so later, a group of people led by the head of Maquan village arrived at the gate of Factory No. 471 in an old goods van. They parked the old goods van at the gate of the factory and blocked the factory's exit. The village head then ordered his men to smash the lamps and a "two civilizations" sign hanging on the factory wall and throw stones into the factory.

On the afternoon of 12 August, three 616-volt power transmission poles of Factory No. 471 were pulled down and seven others damaged. Suddenly, the power supply to the factory's production and residential areas was cut off.

At about 2000, a group of people armed with sticks and stones came out of Lanquan Chemical Factory. They stopped some 100 meters away from Factory No. 471 and began shouting: "We will smash Factory No. 471."

The situation became very serious indeed. Soon afterward, a vice mayor of Lanzhou City rushed to Dongchuan township after learning about the situation and held a meeting there. The vice mayor reiterated the decision made by the Lanzhou City CPC Committee on 2 August. He asked the two sides to exercise restraint and ordered the immediate resumption of the power supply to Factory No. 471.

On 13 August, Factory No. 471 demanded that the Xigu District Power Supply Bureau first restore its lighting power supply, but to no avail. At 2000, the factory managed to connect itself to another power supply line. However, the power supply was switched off by the Xigu District Power Supply Bureau at 2200. As a result, the whole factory was again thrown into darkness.

#### **The Day of Black Sacrifice**

It was still drizzling at dawn on 14 August. It had been raining overnight. No sooner had they reported for duty

than the leaders of Factory No. 471 held a meeting at which they discussed the situation, as well as ways and means of strengthening coordination with other departments with a view to having the power supply restored as quickly as possible.

After suffering from a lack of water and electricity for more than 30 hours, the families of the staff and workers, especially the retired workers, found the agony unbearable. They had no water in their toilets and no water to wash their faces or brush their teeth. They had had to endure long-lasting darkness. Thus they demanded that the factory's electricians quickly repair the damaged power transmission poles outside the factory. As the poles were lying in the fields of Maquan Village, the factory's electricians were afraid of going there to be beaten up by the villagers. However, some retired staff and workers and their families said: We old people and children will go with you and protect you. They will not dare to beat old people and children. As a result, old people and children, some wearing slippers, walked toward the damaged power transmission poles lying 300-400 meters away from the factory's residential quarters.

Those who went there were terribly wrong and too naive!

Only a few days before, a bloody incident had already taken place: After the power supply was cut off on 12 August, a junior high school student living in Factory No. 471 found no water in the toilet after dinner and went to the nearby fields to read a book of test exercises while defecating there. However, he was beaten up for no reason by more than 10 people from Lanquan Chemical Factory with iron bars. With a bleeding head, he was rushed to No. 504 Factory's hospital. However, the rescue team carrying him was intercepted on its way to the hospital. From then on, there was a smell of blood between Factory No. 471 and Lanquan Chemical Factory and the smell became increasingly strong.

Thus, when a large group of retired workers, women, and children arrived at the damaged power transmission poles as if to watch the fun, suddenly, as a whistle was blown, some 300-400 men wearing yellow helmets and armed with iron bars, steel forks, spades, and all types of "cold weapons" [leng bing qi 0397 0365 0892] ran out dramatically from the vegetable fields and adobes from three directions.

Their sudden appearance stunned all the people from Factory No. 471. Very soon, some old people, who walked slowly, and some young electricians, who were holding the hands of those old people, were surrounded and separated by the armed men running forward from three directions. Then they were brutally and recklessly hacked at without any hesitation by those armed men....

A young worker of No. 504 Factory, who was jogging at the time, witnessed the tragedy with his own eyes. While describing the tragic event to us, he mumbled in terror: "It was terrifying, indeed. After they were beaten down, they were recklessly and violently hacked with iron spades, iron bars, and iron forks. I saw blood coming from their bodies. It was too brutal, indeed."

Two people from Factory No. 471 were killed instantly on the spot, while more than 10 seriously or slightly wounded people were lying groaning in pools of blood in the fields. The violent hacking and killing lasted 20 minutes. Then the armed men left "victoriously."

The bloody incident stifled the usually lively atmosphere inside Factory No. 471 as well as the minds of the people living in the factory. Inside the factory, everything was in disorder. People were rushing to rescue the injured. Cries and shouts could be heard everywhere.

Several hours later, several hundred riot police arrived at the spot and cordoned off Lanquan Chemical Factory and Factory No. 471.

After learning about the incident, Gansu Provincial Governor Yan Haiwang immediately went to the spot to direct the rescue work. Deeply grieved, Yan said: "This incident should not have taken place."

It was learned that the bloody incident has already caught the attention of the State Council and some departments concerned.

#### Who On Earth Should Be Blamed?

Let us leave aside the bloody incident for the time being. Insofar as the cause of the incident is concerned, and especially according to the "PRC Environmental Protection Law," Lanquan Chemical Factory should first and foremost be held responsible for the incident because of its below-standard design. According to the environmental protection law, industrial waste water can only be released at least 1,000 meters from a source of drinking water if the factory concerned is situated on the upper reaches of a river, and not less than 100 meters from a source of drinking water if the factory concerned is situated on the lower reaches of a river. Situated on the upper reaches of the river, Lanquan Chemical Factory released waste water less than 80 meters from Factory No. 471's water treatment plant. In addition, the law also stipulates that waste water should be released through pipes. However, Lanquan Chemical Factory released waste water through ditches.

What is worse, Lanquan Chemical Factory poured its industrial waste into the upper reaches of the river, only 2.6 km from flood drainage ditches, without taking precautions against infiltration, leakage, and volatilization. When there was a flood, the liquid and solid industrial waste were washed down the river to join the waste water let out by the same factory, resulting in more serious pollution.

Furthermore, this part of the Huang He has already been designated by the state as a Grade A water source protection zone. Did Lanquan Chemical Factory deliberately release poisonous waste water into the river?

In addition to Factory No. 471, Factory No. 504 of China Nuclear Industry Corporation and a number of administrative villages in the surrounding areas had also suffered from pollution caused by Lanquan Chemical Factory. In



particular, when the south wind blew, 20,000- 30,000 people breathed the poisonous thiocyan gas.

Therefore, it was quite reasonable for the people of Factory No. 471 to make so many complaints. Since two innocent men of theirs have been killed, it is hardly difficult for us to understand their feelings of indignation. It can be said that what they were trying to defend was not only their own lives but the right of subsistence belonging to the whole of mankind.

### **The Bloody Case Has Yet To Be Settled**

As we finished writing this article, the aforementioned case was still under investigation. Nevertheless, we believe that the law is merciless and its violators are bound to be dealt with accordingly.

Moreover, as the site of the incident is still cordoned off, we are unable to go inside the area to conduct in-depth investigations. Therefore, we are not quite clear about the situation of Lanquan Chemical Factory at the moment.

Nevertheless, we sincerely hope that bloody incidents such as this one, in which brothers kill each other while friends and relatives feel sad and grieved, will never happen again simply because our common home is trampled upon.

Those who lift and drop a rock will not only hurt the feet of others but also their own.

### **Li Peng's 17 Sep Anti-Corruption Speech Released**

OW2609081793 Beijing XINHUA in English 0745  
GMT 26 Sep 93

[Text] Beijing, September 26 (XINHUA)—All departments of the State Council, China's cabinet, will firmly carry out the Communist Party Central Committee's anti-corruption decision, pledged Premier Li Peng at a full meeting of the State Council held on September 17.

In his speech which is released today, Li said that the important speech made by Party General Secretary Jiang Zemin at the second plenary session of the Central Commission for discipline inspection is based on Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics.

He pointed out that Jiang's speech explains the great significance of the anti-corruption drive, defines the tasks and guiding principles for the campaign, and upholds the consistent idea and stand of the Party Central Committee against anti-corruption and on building an honest government.

Jiang's speech is a general mobilization call for the whole party and the whole nation, Li said.

According to Li, the Party Central Committee and the State Council have focused on three important issues over the past few months.

First, a decision was made to deepen the reform and strengthen macro control of the national economy so as to

solve conspicuous contradictions and problems which have surfaced in economic development, mainly through economic means, Li said. He added that initial achievements have been made in implementing the decision.

Second, Li noted, systematic and comprehensive research has been done on how to accelerate the building of a socialist market economy, centering on reforms in banking, finance, taxation, management of state assets, the investment system and foreign trade system. Important reforms in these sectors will be implemented in the near future, Li said.

Third, the anti-corruption drive has been launched so as to foster an honest style of work, Li said.

The premier said that success in the three important issues will be of great significance for guaranteeing the sustained, healthy, rapid and sound development of the national economy, and promoting socialist ethics.

The premier continued that since the second plenary session of the Central Commission for Discipline Inspection, all State Council departments have been implementing the guidelines of the meeting, and they have begun to take action.

He noted that many of the departments have worked out detailed arrangements for promoting the anti-corruption struggle in accordance with their actual situation.

Li called on officials at all levels, especially leading officials, to study once again Deng's instructions on correcting the party style of work, strengthening the building of an honest government and combatting corruption and to grasp the essence of Jiang's important speech.

To win the anti-corruption struggle is important for the fate of the party and the nation and is a guarantee for carrying out the party's basic line and for the smooth progress of the reform, opening drive and economic construction, the premier stressed.

"We must unify our understanding and firmly carry out the party Central Committee's decision on the anti-corruption struggle," Li pledged.

He stressed that all State Council departments have an important responsibility in the struggle and they are in a very important position.

Since the State Council is the country's highest administrative organ and all its departments hold governing power, corruption will develop if a supervision and restrictive mechanism is not enhanced, the premier noted.

The State Council and all its departments have done a lot of work to curb corruptive and illegal acts, the achievements of the anti-corruption struggle should not be overestimated, Li said.

The key to achieving the desired results in the anti-corruption struggle lies in the successful efforts of the State Council departments, Li said.



"The masses of the people are looking at us and local governments and lower level departments are also looking at us," Li said, "and they have pinned high hopes on the anti-corruption struggle in all State Council departments."

Li hoped that leading officials of the State Council and all its departments will do well in abiding by discipline and law and be honest in performing their official duties.

Premier Li Peng said that the anti-corruption struggle is arduous and it calls for resolute and long-term efforts, and it should be carried out with a sense of urgency.

He said that the objective of the struggle is to uphold an honest and self-restraint style of work among leading officials, uncovering major corruption cases and correcting unhealthy tendencies.

He said that in the remaining months of the year, corruption phenomena must be checked.

He called for enhancing supervision and examination measures among leading officials.

The CPC Central Committee has made five stipulations on upholding honesty and self-restraint among leading officials. Officials at all levels, including all those who attend the executive meetings of the State Council, should abide by the stipulations, he stated.

The ministers, vice ministers, department directors and section chiefs must make self-examinations according to the stipulations. Cases violating discipline should be handled according to specific stipulations of the CPC Central Commission for discipline inspection and the Ministry of Supervision.

Any leading official who is taking concurrent positions in business organizations should resign from his official post or give up business positions.

Li Peng urged people to report corrupt cases, and all departments should carefully handle such reports so as to find clues to corruption cases.

Li said that all cases, no matter whom they involve, must be examined thoroughly and handled according to law.

The focus will be on leading organs, administrative and law enforcement departments and economic management departments.

Those who obstruct anti-corruption efforts must be punished according to law, he said.

Li Peng urged all ministries and departments to mobilize all concerned to get involved in the anti-corruption struggle.

The State Council will work with the examination groups sent by the CPC Central Committee to make investigations and examinations in major departments and institutions.

Li said that the State Council has decided to hold a joint meeting of heads of the ministries and commissions to organize and push forward the anti-corruption drive. Chief

leaders of these departments should assume leadership and establish a responsibility system at all levels. Attention and support must be given to the Ministry of Supervision and administrative supervision departments at all levels, enabling them to play their role fully in the anti-corruption struggle.

Li said that leading bodies and leading officials must set an example in the anti-corruption struggle. Departments under the State Council must do first what they ask local authorities to do.

Li said that the government should improve its working style and do in-depth investigation and study. It is not enough just to hold meetings and issue documents.

Leaders of every department must go to the grassroots to analyze typical cases of corruption. They must use the experience from handling these cases to direct the overall struggle of their department against corruption. The principle of seeking truth from facts must be observed.

Li said that the anti-corruption struggle must be combined with the drive to deepen the reforms. Deepening reform is crucial to solving the problems in the anti-corruption struggle.

The government's functions must be further restructured; at the same time, complete supervision and discipline-enforcing mechanisms must be developed to standardize the activities of the government. Legislation must be stepped up so that government departments operate according to law, he said.

Li said that anti-corruption must be combined with encouraging justice. The majority of the officials are good, clean and dedicated to their duties. In the process of the anti-corruption struggle, units and individuals who are efficient, clean, hardworking, dedicated, selfless and courageous in combating corruption, should be commented.

Li said that the over-all situation of the national economy is good, as reform is accelerated. The country is opening wider and the anti-corruption struggle has been in full swing across the country.

Li believed that if all people pool their efforts according to the guidelines of the CPC Central Committee, the anti-corruption struggle will surely proceed in a healthy and orderly way.

### **Eight Sentenced To Death in 'Major' Graft Cases**

*OW2709133693 Beijing XINHUA in English 1306 GMT 27 Sep 93*

[Text] Beijing, September 27 (XINHUA)—Eight persons, most of them from the financial sector, have been convicted of graft and sentenced to death, a senior judge said here this afternoon.

They were involved in four major graft cases, according to an announcement of the Supreme People's Court.

Another two persons were also involved, according to Liu Jiachen, vice-president of the Supreme People's Court. But

one died during period of reviewing the death sentence by the Supreme People's Court and another is at large.

The criminals, convicted on charges of graft, embezzlement and crossing borders, were identified as Xue Genhe, Chen Yiquan, Xiong Daoxian, Zhao Dongfang, and Yang Shaoqiong from Hainan Province; Feng Yang from Zhejiang Province, Luo Yuhai from Beijing and Xu Xiaochun from Guangdong Province.

Xue, an accountant from the Haikou branch of the Industrial and Commercial Bank of China in Hainan Province, and his accomplices embezzled a total of more than 33.44 million yuan from January to October of 1992, the largest amount ever involved in a single graft case since New China was founded in 1949.

After their crimes were discovered, Xue and his accomplices crossed the border to Vietnam and were later apprehended. They were sentenced to death, with deprivation of political rights for life.

Feng Yang was a 37-year-old woman who served as the chief of the financing and planning section of the Huzhou Trust and Investment Company under the Industrial and Commercial Bank of China. She colluded with Xu Jianxin and diverted a total of 5.1 million yuan from the bank by signing off 19 transfer of account checks during the period from 1987 to 1990.

The two criminals fled to Macao on October 8, 1990, with a huge amount of money and bought two forged passports there. Later that month, they sneaked back to Guangzhou from where they fled to Singapore and were later caught. Feng was sentenced to death with political rights deprived for life, while Xu who died of an illness during the period of reviewing the case, was exempt from criminal responsibility.

Luo Yuhai, a clerk of the in-coming remittance section of the business department of the head office of the Bank of China, illegally transferred to the accounts of his friends over 1.25 million U.S. dollars between 1989 and 1991 through a bank computer system he supervised. Luo got the spoil of 30,000 U.S. dollars from the dealings.

Luo was sentenced to death with political rights deprived for life and his personal property confiscated.

Xu Xiaochun, a businessman from Guangdong, and his accomplice, Wang Shuyi, an accountant of a branch office of the Agricultural Bank of China in Guangzhou, received more than 4.54 million Hong Kong dollars by way of forging banking bills and remittance trust deeds and other banking documents. They fled to Hong Kong, and then to Taiwan.

Xu was caught by the Taiwan police in June of 1990 for illegal entry into the island and was later sent back to the mainland in December of 1991. He was sentenced to death with political rights deprived for life. Wang is still at large.

"The major targets of the current fight against corruption are criminals who have committed bribery and acceptance of bribery, graft and embezzlement by taking advantage of

the power and people's property in their hands," said Vice-President Liu Jiachen of the Supreme People's Court.

### **Shenzhen Prosecutes Party, Government Cadres**

HK2709043493 Hong Kong SOUTH CHINA  
MORNING POST in English 27 Sep 93 p 8

[Report by Chris Yeung]

[Excerpt] Shenzhen authorities have meted out heavy penalties against 12 senior party and government cadres as a showcase deterrent in a nationwide anticorruption campaign, official media reported yesterday. A bureau chief in charge of real estate affairs in the municipal government has been sentenced to death by a local court for bribery charges and embezzlement of funds, local newspapers said.

Others have been stripped of their party membership and government posts or official duties pending further investigation. Cases of violation of law have been referred to the judicial authorities to study whether legal action should be taken, the reports said. The announcement of the dozen cases was made at the end of a high-level conference held in Shenzhen last week to map out strategies against graft.

It was reported that Chen Binggen pocketed 110 000 yuan (HK\$147,400) from profits accruing from projects jointly developed by a company under the Bureau of Real Estate Management in Shenzhen, of which he was the head. Chen had also allegedly accepted bribes of about 120,000 yuan. "In the face of the enormous amount of money involved, his case has been reported to the municipal party committee," it said.

The bureau head was kicked out of the party and sacked by the Government. The report said he had also been sentenced to death by the city's Intermediate People's Court. Other cases mainly involved cadres in charge of economic matters such as taxation and finance, who took advantage of their positions to seek personal gain or engage in prostitution activities. [passage omitted]

### **Bank Official Demoted for Illegal Real Estate Trading**

OW2709121993 Beijing XINHUA in English 1109  
GMT 27 Sep 93

[Text] Beijing, September 27 (XINHUA)—Xu Guofeng, director of the Hebei Province branch of the People's Bank of China, was recently demoted for his role in illegally trading real estate.

Xu used 100 million yuan (about 17 million U.S. dollars) in credit funds to engage in real estate trading, which is against concerned state regulations.

Last October, the provincial branch in north China reached an agreement with a local real estate development company to buy 500 mu (about 33.3 hectares) of land in south China. Xu had intended to raise money through real estate trading to fund the construction of several new office and residential buildings for the bank branch.

His wrongdoings have disturbed the banking order and broken the relevant rules of the State Council and the people's bank of China.

### **Li Peng Meets Academic Degrees Committee Deputies**

*OW2509180193 Beijing XINHUA in English 1538 GMT 25 Sep 93*

[Text] Beijing, September 25 (XINHUA)—Chinese Premier Li Peng met here today with deputies to the fifth plenary meeting of examination panels of disciplines of the Academic Degrees Committee of the State Council.

On behalf of the Central Committee of the Chinese Communist Party (CPC) and the State Council, Li firstly expressed regards to the tutors and faculties engaging in the management of conferring degrees.

Li, also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, said that since 1981 when China issued regulations for degrees and set up the system of degrees, China has produced more than 10,000 doctors and more than 230,000 masters.

He noted that the masters and doctors have become the backbone of China's scientific and technological body.

He said that early this year, the CPC Central Committee and the State Council issued the "Essentials of China's Educational Reform and Development", which is the guideline for the educational reforms and development in the 1990s.

He pointed out that the work of training postgraduates and degrees should also make progress according to the demands of the guidelines so as to cultivate more talented people with higher-level knowledge and to serve the socialist market economy.

Li Peng urged governments and departments at various levels to provide more opportunity for talented people with higher-level knowledge to play their part and create necessary living and working conditions for them.

Among those who took part in the meeting were Song Jian, State Councillor and minister in charge of the State Science and Technology Commission, Zhu Kaixuan, minister in charge of the State Education Commission, and He Dongchang, chairman of the Academic Degrees Committee of the State Council.

### **Study of Deng Xiaoping's Theory Published**

*HK2709101493 Beijing ZHONGGUO XINWEN SHE in English 0922 GMT 27 Sep 93*

[Text] Haikou, September 27 (CNS)—A book titled *A Study of Deng Xiaoping's Theory* written by a departmental director of the Hainan Daily, Mr. Zhong Yechang, and recently published by the Sichuan People's Publishing House has attracted great interest in theoretical circles in China.

The book explains and studies in a concentrated, comprehensive and systematic way Deng's ideas on "making the

people rich and the country strong". It is rare in China to find such a book written by a single author. More than 160,000 words in length, the book has a rich content.

According to the author, the formation, development and successful practice of the idea of "making people rich and the country strong" held by Deng Xiaoping is based on his putting forward the strategic goal of economic development and strategic measures for reform and opening up according to the realities in the country and on these bases Deng Xiaoping has repeatedly explained a series of thoughts and positions on the speeding up of development, the promotion of stability, the reliance on science and technology and the reunification of the motherland.

The book has ten chapters including the state's realities, strategy, reform, opening up, development, stability, the first production means and the "one country, two systems" concept.

### **Beijing Radio To Serialize Deng's Biography**

*OW2709043093 Beijing Central People's Radio Network in Mandarin 2230 GMT 25 Sep 93*

[From the "News and Press Review" program]

[Text] Starting on 30 September, this station will air *My Father, Deng Xiaoping*, a biography by Xiao Rong, in its time slot for radio drama and serial novels. It is performed by famous players (Long Yan) and (Liu Jihong) and will be aired daily at 1230 hours [0430 GMT] in the first program and 2300 hours [1500 GMT] in the second program. Please tune in at these times.

### **'Mao Zedong and Science' Conference Opens in Beijing**

*OW2509104593 Beijing XINHUA Domestic Service in Chinese 1111 GMT 16 Sep 93*

[Text] Beijing, 16 Sep (XINHUA)—An academic conference, called "Mao Zedong and Science," opened at the Great Hall of the People today. It is sponsored by the China Institute of Management Science, the KEJI RIBAO [SCIENCE AND TECHNOLOGY DAILY], and the ZHONGGUO KEXUE BAO [CHINESE SCIENCE JOURNAL].

The conference is held to commemorate the centennial of Comrade Mao Zedong, a great Marxist, and heighten people's science and technology awareness through studying and discussing Mao Zedong's scientific concepts, fostering Mao Zedong's scientific spirit, studying the role played by Mao Zedong's scientific thinking in the formation of the CPC's science and technology policy, and deepening the understanding of Comrade Deng Xiaoping's judgment that "science and technology are the primary productive forces."

Well-known scientists Zhu Guangya, Jin Shanbao, Tan Jiazhen, Tang Peisong, and Chen Guoda, as well as some noted British and Japanese scholars have submitted their dissertations to the conference. Lei Jieqiong, Wu Xiuquan,

Li Qiang, and Yu Wen, as well as some of Comrade Mao Zedong's former aides, are attending the conference.

Greeting letters or telegrams were received from former U.S. Secretary of State Henry Kissinger, and others.

### **Seminar on Mao Zedong Opens in Jiangsu Province**

*OW2509180393 Beijing XINHUA in English 1611  
GMT 25 Sep 93*

[Text] Nanjing, September 25 (XINHUA)—A five-day seminar to mark the anniversary of Mao Zedong's 100th birthday opened in Wuxi city, Jiangsu Province, today.

Hu Sheng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), praised great historical feats of Mao Zedong who combined Marxism and Leninism with Chinese practice and found a road for Chinese revolution and construction.

He said that in the first half of his life, Mao Zedong dared to resist the wrong influences from foreign countries with great theoretical courage.

He said that through summing up positive and negative experiences in the struggle of the party, he found the correct way for the Chinese democratic revolution and he led the revolution to success.

He said that in the latter half of his life, Mao Zedong adhered to pursuing China's road with its characteristics in socialist construction.

Mao led the whole party and the whole nation to resist the great pressure from the outside.

In the process of his exploration, he witnessed many twists and setbacks and brought about the mistakes of the "Cultural Revolution".

But, he pointed out, Mao's historical achievements in his exploration should be remembered in the annals of history.

Hu said that Deng Xiaoping's theory on construction of socialism with Chinese characteristics is a development of Mao Zedong thought.

Practice in the past decade after the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party (CPC) has proved that Mao Zedong's wish for China's socialist construction in his lifetime has gradually been realized.

Sponsored by the Society for the History of the CPC and Society for the History of the People's Republic of China, the seminar will focus on the study of the life and thought of Mao Zedong.

The seminar has received more than 140 essays covering politics, economy, military work, culture, the united front, and the party building.

More than 100 scholars, experts and theoretical workers and senior party members are taking part in the seminar.

### **Economic & Agricultural**

#### **Hu Jintao Calls For 'Invigoration' of Enterprises**

*OW2409184793 Beijing XINHUA in English 1459  
GMT 24 Sep 93*

[Text] Beijing, September 24 (XINHUA)—Invigoration of large and medium-sized state-owned enterprises is a matter of great significance for the country's overall situation, a senior leader of the Chinese Communist Party (CPC) said here Thursday [23 September].

Hu Jintao, member of the Standing Committee of the Political Bureau and Secretariat of the CPC Central Committee, said that state-owned enterprises must be run better in order to build a socialist market economy successfully, to increase the country's economic strength, to improve living standards of the people, to ensure social stability, to consolidate and develop the current good situation and to push forward reform and opening to the outside world.

Hu said that the basic way to invigorate state enterprises is to deepen reform, to accelerate restructuring of enterprises and bring into full play the initiative of party organizations, management and workers of enterprises.

Hu was talking to representatives at a national meeting on strengthening building of party organizations in state enterprises.

He said that it is a central link in the process of building a socialist market economy to restructure, invigorate and upgrade state-owned enterprises, especially the large and medium-sized ones.

Hu depicted the socialist market economy as one that functions better and more effectively than the market operating under the capitalist system. He said that the fundamental characteristics of the market economy are to combine a market mechanism that reflects the law of modern socialized production with socialist public ownership, and to combine the virtues of the market economy for a rational distribution of resources with the advantages of the socialist system.

This must be achieved through reform to develop a modern enterprise system, which enables enterprises to become real bodies with legal status in the mainstream of the market, to take part in market competition with great economic strength and vigor and to play the role of a mainstream sector of the economy.

Hu pointed out that attention should be paid to two aspects in invigorating large and medium-sized state-owned enterprises. The first aspect is to accelerate the change of government functions, to separate government administration from enterprise management, to grant resolutely all autonomy that should be granted to enterprises. At the same time, the establishment of a complete and effective macro-control economic system must be accelerated, and the functions of government must be strengthened.



The second aspect is to accelerate restructuring of enterprises and to tap the potential vigor of enterprises.

While he talked about the establishment of modern enterprise management with Chinese characteristics, he said that three points must be observed in invigorating large and medium-sized state-owned enterprises under the market economy system. The three points are: State enterprises must give full play to the role of political core of party organizations; they must persist in and improve the director-responsibility system; they should rely on the working class whole-heartedly. Hu said that the three points are mutually coherent and cannot be separated.

Hu stressed that enterprise party organizations must coordinate their work closely with enterprise reform, production and operation and must serve reform and expansion of enterprises.

He urged party and government leaders at all levels to pay close attention to the development and expansion of the contingent of management personnel, in order to promote the construction of enterprise leadership to a new level.

The national meeting was held by the Organization Department and the Policy Research Office of the CPC Central Committee. It started on September 21.

#### **Rong Yiren: Macrocontrol Enhancement To Continue**

*OW2709100693 Beijing XINHUA in English 0753 GMT 27 Sep 93*

[Text] Beijing, September 27 (XINHUA)—Chinese Vice-President Rong Yiren said here today that China will continue to enhance macro-control of its economy.

Speaking at the opening ceremony of the economist conference roundtable with the government of the People's Republic of China, Rong said that such efforts are designed to help speed up the country's transition to a socialist market economy.

Rong added that more efforts to reform the operating mechanism of the state-owned enterprises, to develop various types of markets and to accelerate the reform of prices, employment and the wage system are needed to establish a socialist market economy, the goal of China's economic reform.

The global economy is now becoming increasingly integrated, and both competition and cooperation will be intensified in wider ranges, the vice-president said.

He hoped that the roundtable participants would gain a better understanding of China's current economic situation, reform and opening to the outside world, and the country's investment environment.

The vice-president said he believed such understanding will enhance the economic cooperation and friendly ties between China and other countries as well as promote international progress and development.

The three-day conference was jointly sponsored by the China International Trust and Investment Corporation and the Economist Group, a British company.

Over 90 transnational corporation representatives and senior Chinese Government officials and enterprisers attended the roundtable, the first the economist group has ever hosted in China.

#### **Macrocontrol Measures Produce 'Positive Results'**

*OW2609142693 Beijing XINHUA in English 1349 GMT 26 Sep 93*

[Text] Beijing, September 26 (XINHUA)—China's measures to strengthen macroeconomic control have produced positive results and the financial situation has taken a favorable turn, said Dai Xianglong, deputy governor of the People's Bank of China.

Addressing the opening session of a national conference on funds for purchasing autumn farm produce and side-line products here today, Deputy Governor Dai said that combined savings deposits in urban and rural areas increased by 76.7 billion yuan in July and August, 52.4 billion yuan more than in the same period of last year.

The total amount of loans lent by the banks dropped by 76.2 billion yuan, 27.2 billion yuan of which was recovered from the banking sector and the other 49 billion yuan from other sectors, according to Deputy Governor Dai.

Meanwhile, Dai noted, the Central Bank increased its loans to specialized banks in the two months, thus gradually alleviating the tension in the financial situation.

Besides, money put into circulation in the period from July 1 to September 22 this year was 28 billion yuan less than that in the same period last year.

The exchange rate between the U.S. dollar and the renminbi started to drop in early July, Dai pointed out. At present, the rate remains at a quite reasonable level, at 1 U.S. dollar : 8.8 yuan (renminbi).

Overheated industrial development has been brought under control. The rate of increase of the industry in July dropped by 5.1 percentage points compared with June while that in August was 1.7 percentage points less than in the previous month.

At the same time, Dai said, increased investment in fixed assets and rising prices of means of production have been brought under control. The national economy, which earlier was developing at an ultrahigh speed is now developing steadily.

#### **Li Lanqing Discusses Economy, Regulation**

*PM2409130593 Paris LE FIGARO in French 22 Sep 93 p x*

[Interview with Vice Premier Li Lanqing by Jean Leclerc du Sablon in Beijing; date of interview not stated: "Beijing: The Fight Against Overheating of the Economy"—from LE FIG-ECO section]

[Excerpt] [Passage omitted] [Jean Leclerc du Sablon] According to the revised statistics of the IMF, China is not the 13th economic power in the world but the third. What is this about?

[Li Lanqing] Our total per capita gross national product is still quite low. Our development is not very balanced. It is unrealistic to say that we rank among the world's richest countries. We have indeed risen from 32d place to 11th place in the world in terms of our trade volume between the beginning of the reforms in 1978 and today. Our aim is to achieve a living standard of average affluence by the end of the century but we will not achieve the level of the medium-developed countries until the middle of the next century. As for catching up with the United States, Germany, or France, I cannot even dream of such a thing; we have no grounds for such thoughts.

However, we will be able to double our gross national product a second time before the planned date; namely, the year 2000. Our import volume is thus going to increase and pass the \$300 billion envisaged for the period 1991-1995. Over the past two years we have already imported goods worth \$150 billion.

[Sablon] Is it possible to summarize right now the measures adopted at the beginning of July to put a brake on the overheating of the economy?

[Li Lanqing] The Chinese economy has already entered a new stage of development and the overall situation is satisfactory. In certain spheres, although not all, we can indeed see the symptoms of overheating. However, our policy is focused less on the problem of overheating than on strengthening the reforms and macroeconomic control. The crisis in the capitalist world at the end of the twenties marked the end of the era of the completely free market economy.

The principle of macroeconomic control has been accepted. In China, too, the market needs macroeconomic rules. The imperfections of certain policies or certain regulations has caused inevitable problems in the transition from a planned economy to a socialist market economy. We are in the process of accelerating the reforms and the conversion to a socialist market economy.

The reforms relate to four spheres: banking, the financial system, the tax system, and exchange controls and foreign trade. The measures that we have taken have already borne fruit. The frenzy over real estate has subsided, excessive investments have been limited, as have the major construction projects, the price of steel has gone from 4,400 yuan to 3,000 yuan per tonne (the franc equivalent at the official rate), growth fell by 5 percent between June and July, and inflation is easing. Generally speaking we are following international norms with regard to our reforms.

#### **Article Views 'Mainstream Macroeconomic Policy'**

HK2409154793 Beijing JINGJI CANKAO BAO in Chinese 8 Sep 93 p 4

[Article by Wu Xiaoqiu (0702 2556 3061) from the Chinese People's University Economic Research Institute: "On China's Mainstream Macroeconomic Policy"]

[Text] In a modern market economy, how to formulate and learn to use a macroeconomic policy to interfere, regulate, and guide society's economic activities, so that they can move toward the general goal previously set by the state, and resources can be rationally distributed, is a major question currently facing China's macroeconomic management.

In any country, and under any structure, although macroeconomic policies with different functions and various collocations [da pei 2290 6792] can be adopted under different conditions, objectively, since they are influenced by basic economic mechanisms and the structure of economic interests, there is a mainstream, or predominant, macroeconomic policy. This mainstream macroeconomic policy is the substantial embodiment of a country's economic operational mechanism and economic policy.

#### **The Bases on Which China's Mainstream Macroeconomic Policy is Determined**

The so-called mainstream macroeconomic policy refers to a macroeconomic policy which is predominant in a country and goes against the natural impulse of society's economic operation or the trend of the key behaviors of the main bodies in the economy. The task of the policy is mainly to regulate the economic behavior which is predominant in the economy and society and overcome the periodic fluctuations caused by developments which frequently occur in the operation of society's economy. The most important element which has a bearing on the decision of a country's mainstream macroeconomic policy is the functional characteristic of the mechanism for the formation of supply and demand in the country's economic operation, namely, the internal functions of the demand formation mechanism and supply growth mechanism and their interacting effects.

Both experience and theory have profoundly shown with concrete evidence that in China's demand formation mechanism and supply growth mechanism, there is inherent functional asymmetry, which has the following two implications: First, at the present stage in our country's demand formation mechanism, there is an inherent instinctive impulse for expansion and its expanding function is strong and lasting. By comparison, its supply growth mechanism lacks this instinctive expansion impulse. The mechanism is characterized by excessive supply contraction and slow and sluggish supply growth. Second, the interacting effect of demand formation mechanism and supply growth mechanism is frequently manifested in the asymmetric state in which supply falls short of demand and demand grows excessively. It is not manifested in effective demand shortages, much less the kind of equivalent interaction of supply and demand which an economically balanced society has.

The basic reasons for the existence of the functional characteristic and the interacting effect in our country's demand formation mechanism and supply growth mechanism are mainly as follows: 1) Overall, the interest composition of China's economic system assumes the form of intersectional relations at the present stage rather than

tangential [xiang qie 4161 0434] relations. It creates basic economic conditions for the demands of various economic main bodies, which are often in a state of runaway expansion, and is the source of the basic dynamic force which maintains that demand is always in good shape. 2) Between market signals in the economic system, there is a lack of an inherent, automatic transmission device or mechanism. Therefore, the changing signals of demand cannot be transmitted promptly and effectively to the realm of supply and, thus, the supply efficiency of demand changes is greatly reduced and supply growth lagging behind demand growth is turned into a reality. 3) In terms of the level of productive forces and the stages of economic development, the level of the setup of China's productive force systems and its industrialization level are low, its economic development being still in the course of industrialization. While restraining our country's existing supply level, this reality has brought a tremendous pressure for development and fund shortages. The frequent growth of total demand exceeding total supply has become the most important characteristic of the operation of the economy. The Nature and Choice of China's Mainstream Macroeconomic Policy [subhead]

In accordance with the converse regulation theory of economic policy and the functional characteristic of China's supply and demand formation mechanisms and their interacting effect, in my opinion, the relatively tightened macroeconomic policy, with containment of total demand as its main characteristic and leading tendency, is our mainstream macroeconomic policy. This policy has the following two implications:

1. Overall, it puts greater stress on the contraction of the level of total demand and, more importantly, it pays attention to the macro containment of the instinctive expansion impulse function of the demand formation mechanism. Its objective is to prevent the economy from overheating and overcome the periodic fluctuations triggered by the total demand level transition.

2. In terms of structure, instead of demanding "uniformity" in solving different problems, the relatively tightened macroeconomic policy allows flexibility while stressing contraction. In the course of upgrading the industrial structure, a flexible policy based on macrocontraction is applied to the new-type leading industries so as to support their development and promote the constant upgrading of the industrial structure.

From the definitions mentioned above, it is not difficult for us to see that the fundamental function of China's mainstream macroeconomic policy is to guard against and get overexpansion in total demand under control while not damaging the industrial structure. Getting the level of total demand under control is the core element of this mainstream macroeconomic policy.

More often than not, people have doubts about it. 1) Will this mainstream macroeconomic policy artificially contain economic growth? 2) The mainstream macroeconomic policy is, in the final analysis, still a demand management policy and a policy of maintaining market balance by

containing the expansion of total demand. Can it shift its focus to supply and maintain a balance in market supply and demand by stimulating total supply?

Let us first explain the first doubt. As we have mentioned above, the function of the mainstream macroeconomic policy with contraction as its basic characteristic and leading tendency is to guard against and get the frequent overexpansion in total demand under control. The overexpansion discussed here refers to the fact that the growth of total demand has obviously exceeded the capacity of existing resources to bear. When total demand is overexpanded, nominally, the economy will grow at high speed because of the role of inflation. This time, resources are comprehensively strained and the normal operation order is thus disrupted. This overexpanded total demand-driven high growth rate is inflated and cannot possibly last long because it lacks a corresponding resources foundation. The mainstream macroeconomic policy must guard against and get this high economic growth rate based on a weak resources foundation under control. So, as I see it, the mainstream macroeconomic policy with the abovementioned characteristics will not contain the efficient economic growth rate based on a resources foundation. On the contrary, it will help improve the soundness of the economic growth rate.

Let us discuss the second view. The core of this view is that China's mainstream macroeconomic policy must put greater stress on stimulating the growth of total supply instead of putting total demand under control. Abstractly speaking, this view is not questionable. The point at issue is that in terms of practical operation, as an internal variable, total supply is quite poor in operation and the impact of outside elements on it is indirect, slow, and limited. Unlike the supply variable, total demand is a typically external variable, on which the impact of outside elements is direct, swift, and powerful. It is highly adjustable.

#### **The Policy Collocation of China's Mainstream Macroeconomic Policy**

As everyone knows, as part and parcel of a macroeconomic policy, financial policy, currency policy, and income policy can regulate the level of total demand through their own conductive mechanisms and policy means and thus affect the operation of the economy. Nevertheless, there is a considerably great difference among them in the role and regulatory intensity on total demand. Objectively, the difference determines the collocation status of financial policy, currency policy, and income policy in the mainstream macroeconomic policy.

The main characteristic of the role of financial policy in the level of total demand is that, with its demand expanding function being strong and effective, financial policy can expand total demand within a relatively short period of time. By comparison, its demand contracting function is relatively weak. This is mainly because the portion of state financial budget expenditure constitutes a considerably large proportion of the investment in the fixed assets of the entire society and the expenditure in



investment in fixed assets is the most important part of total demand. So, the demand expanding function of financial policy is strong, swift, and effective. On the other hand, it is because this portion of the investment in fixed assets, which is covered by state budget expenditure, is mostly concentrated in the key backbone projects of the national economy. Moreover, some noninvestment expenditures, including administration expenses and military spending, are highly elastic. So, the demand contracting function of financial policy seems weak and slow.

The main characteristic of the role of currency policy in the level of total demand is that its expanding function seems slightly slow but covers vast fields of endeavor and its contracting function is swift and strong. While playing a role in investment demand, currency policy can affect consumer demand. While directly deciding intermediate demand, which is formed by floating capital loans, the policy can indirectly and effectively affect some final demand. However, for currency policy to expand demand, it needs some conductive intermediate links so, by comparison, its demand expanding function seems slightly slow. At the same time, as currency policy plays a role in vast fields of endeavor and, moreover, the objects in which it plays a role are highly adjustable, its contracting function is strong.

The main objects which income policy wants to regulate are the money-wage incomes (including bonuses and various subsidies) of employees in cities and their growth scales. The peasants' money incomes are generally not subject to regulation by the policy. So, the influence of income policy on total demand is confined only to the portion of consumer demand which is formed by the money-wage incomes of employees in cities and, therefore, its role in this respect is limited. Checked by interest rigidity [gang xing 0474 1840], the influence of income policy on consumer demand is mainly expressed in easy expansion and difficult contraction.

As we have mentioned above, China's mainstream macroeconomic policy is mainly one with containment of total demand as its main characteristic and leading tendency. Objectively, such a macroeconomic policy should have a strong demand contracting function. This objective requirement and the three major policies' own characteristics decide that their role order and basic collocation pattern in China's mainstream macroeconomic policy are as follows: Currency policy goes first, financial policy next, and income policy last. Currency policy occupies a leading core position, financial policy plays a regular and important macrosupport role, and income policy mainly plays a selective role.

#### **'Surge' in Transnational Companies Reported**

OW2709103293 Beijing XINHUA in English 0859  
GMT 27 Sep 93

[Text] Nanjing, September 27 (XINHUA)—More and more Chinese enterprises are joining hands to compete on the international market.

Statistics show that China had set up 4,117 enterprises in more than 120 countries with a total investment of four billion U.S. dollars by the end of last year.

The number of transnational companies originating in coastal Jiangsu Province and Shanghai has doubled this year.

Economists here noted that large Chinese enterprises did not realize the importance of overseas market and resources until the late 1980s. They are now paying attention to opening more companies abroad.

One example is the China National Chemicals Import and Export Corporation, which has set up branches in more than 30 countries and regions.

These branches have expanded the corporation's overseas business in the fields of entrepot trade, insurance, real estate, finance, futures and tourism. Turnover among overseas branches climbed to 3.2 billion U.S. dollars last year, making up one-fourth of the corporation's total.

Some large companies have shifted their focus to tapping overseas resources.

The China metallurgical import and export corporation opened a joint venture iron mine in Australia.

The China Foreign Trade Transportation Corporation has spent 100 million U.S. dollars to purchase a 30,000-ha forest in New Zealand.

The Capital Iron and Steel Corporation in Beijing has bought the largest iron mine in Peru.

In addition, the country's rural industrial enterprises have opened business overseas.

According to statistics, there are more than 2,000 businesses overseas run by Chinese farmers from the rich coastal areas.

Huang Jinlin, a farmer from Tongzhou, Jiangsu Province, has launched an embroidery clothing company on Broadway in New York.

At present, Chinese companies are expanding their overseas business to cover finance and trading in line with the multi-level development of the country's overseas business.

The Bank of China has set up 460 agencies in 18 countries and regions, with overseas assets exceeding 100 billion U.S. dollars.

Moreover, China has established more than 200 trading offices abroad, besides trading centers in a number of countries including Hungary and Spain.

Some provinces and municipalities are planning to set up large transnational companies.

One example is Jiangsu Province, which will form five transnational companies aimed at the markets in Southeast Asia, the United States, Germany, Africa and the Commonwealth of Independent States.



According to economic experts, the surge in transnational companies will propel the country's capital into a healthier circulation, as well as function to standardize the market system and rationalize the arrangement of means of production.

### **Forum Views Expanding Transnational Firms' Investment**

*HK2609070393 Beijing CHINA DAILY in English  
25 Sep 93 p 4*

[Report by Gao Anming: "China Will Ask TNCs To Expand Business Ties"]

[Test] Having become the world's single largest recipient of direct foreign investment during the last decade, China now has its eyes on transnational business tycoons for even larger development opportunities.

The government is taking steps to work out relevant laws and to modify existing policies to conform with international norms in a bid to entice more investment from transnational corporations (TNCs).

This new effort will not affect the country's current policies towards small- and medium-sized overseas businesses.

These are among the messages emanating from an international seminar on relations between China and TNCs early this month. Dozens of senior executives from some of the world's largest enterprises participated.

Represented were Motorola, Pepsi-Cola, Hewlett Packard and AT&T of the United States, Matsushita, Toshiba and Mitsui of Japan, Siemens and BMW of Germany and Nestle of Switzerland.

Top managers of TNC China branches or joint ventures with Chinese partners related their success stories and spoke highly of the sincerity of co-operation by the Chinese Government and the quality of Chinese employees.

Many, however, also put forward a wide range of suggestions for China to improve its investment environment to compete with other economies for a larger share of TNC investment.

The seminar was jointly sponsored by the Ministry of Foreign Trade and Economic Co-operation (Moftec), the University of International Business and Economics and the United Nations Conference on Trade and Development (Unctad).

Direct foreign investment, particularly that undertaken by TNCs, has become a major force in the integration of the world economy.

As of 1992, the total of such investment had reached \$2 trillion. It generated \$5.5 trillion in sales by foreign affiliates, nearly 40 percent more than total world exports of goods and services.

Of the total, about half was undertaken by 300, or 1 percent of the world's largest TNCs, said Karl Sauvant, chief of Research and Policy Analysis Branch of Unctad's Programme on TNCs.

Direct foreign investment has increasingly come as a package consisting not only of capital but also technology, training and access to markets that will facilitate the economic growth of host countries and help enhance their competitiveness, Sauvant said.

Few countries can resist economic integration. What is considered best for them is to accept the reality of integration in a way that benefits them most. Virtually all countries in the world are now striving to attract such investment.

Since China launched its economic reforms in the late 1970s, it had approved 134,423 foreign-invested businesses as of June, absorbing \$43.8 billion of overseas capital, according to Moftec Minister Wu Yi.

Last year alone saw the establishment of 48,764 such projects, 3.8 times the number in 1991. Some \$11 billion was invested in China by foreign businesses, 50 percent of the total for the 13 previous years.

These foreign ventures turned out 6 percent of China's gross industrial output, and their imports and exports made up a quarter of the country's foreign trade volume.

Several hundred TNCs have set up businesses in China, said Jiao Sufen, director of Moftec's Foreign Investment Department.

But quite a few such projects, particularly those of large-scale TNC, tend to be "exploratory," Jiao said, and the amount of their first phases of investment are often small.

Minister Wu said the government has been "making comprehensive studies" on how to adjust the country's policies on overseas investment to make them more compatible with the requirements of the General Agreement on Tariffs and Trade and other international norms.

This includes readjusting taxation policies, ensuring fair competition, providing national treatment for overseas businesses, permitting more investment in the tertiary sector and simplifying procedures for approving new projects.

The minister said the country would enact more laws to protect foreign businesses and intellectual property rights, encourage investment in the hinterland and in infrastructure.

While recognizing what has been achieved by the Chinese Government, most representatives of participating companies at the seminar were apparently unsatisfied with the speed of change and the inconsistency of local interpretations during policy implementation.

They called on the government to take painstaking and long-term efforts to improve the country's infrastructure, which they said is far from adequate. To guide more overseas capital into this sector, the government may consider cutting taxes and providing longer-term, lower-interest loans.

The participants demanded that all internal regulations bearing on foreign direct investment be made readily

available. This transparency is important, they indicated, because it will help ensure greater uniformity of laws and regulations at both the central and provincial levels, and help eliminate malpractice.

The representatives considered it necessary to recruit qualified staff nationwide, and said the staff should be allowed to bring their families with them to new jobs. Under the current family registration system, individuals are not allowed to settle elsewhere in the country without specific approval, which is difficult to obtain.

They also asked the government to simplify procedures to allow them to send staff members abroad for training.

The service sector should be further opened, they said. Direct foreign investment in banking, insurance, air transportation, communications, consulting and accounting were mentioned as principal candidates.

More than half of direct foreign investment world-wide is in the tertiary sector.

The delegates welcomed indications given by Jiao Sufen that the government will permit the establishment of holding companies, and asked that the process be speeded up.

The unification of the multiple exchange-rate system should be accomplished as soon as possible, they insisted. The amount of foreign exchange available for joint ventures should be increased and the process for procuring foreign exchange should be made more efficient. They also said the banking system needs to be improved.

Many considered it a pressing need for the government to grant them import/export rights. Often frustrated with poor quality, high costs and slow delivery of goods from Chinese suppliers, they have to import components from abroad. But they currently are denied foreign trade rights.

Some hoped the government would strictly enforce intellectual property protection regulations to combat trademark violations and counterfeit products.

On a macro level, the delegates hoped the government could guarantee in explicit terms a frame work for foreign direct investment that is transparent, allows the right of establishment, guarantees national treatment, gives protection against nationalization, provides for appropriate dispute-settlement procedures and permit the repatriation of earnings.

#### **Tax Cut on Dividends Meant To Lure Investors**

HK2609070293 Hong Kong SOUTH CHINA SUNDAY MORNING POST (CHINA BUSINESS REVIEW) in English 26 Sep 93 p 1

[Report by Ivan Tong]

[Text] China has decided not to collect the 20 percent withholding tax on dividends from H-share investors, a move certain to stimulate investors' interest in mainland enterprises listed in Hong Kong. Stock exchange assistant director Kenneth Koo said yesterday that non-mainland

residents' subjection to such a tax had been a concern for investors. He said he now understood that the tax would not be collected by the State Tax Bureau "for the time being. This latest news will probably be welcomed by investors," Mr Koo said.

Under the China's individual income-tax law, dividends payable to mainland and non-mainland investors in publicly traded mainland enterprises were subject to the 20 percent withholding tax.

Accordingly, Tsingtao Brewery, Shanghai Petro-chemical, Guangzhou Shipyard and Beiren Printing have all made provisions in their prospectuses for such tax payments.

Woo, Kwan, Lee & Lo partner, Edward Cheung Wing-yui, believes the exemption shows Chinese authorities' determination to ensure the success of mainland enterprises' debut listings in Hong Kong.

"Given that the withholding tax on dividends is stipulated in the tax law, the authorities must make some legal changes," he said. With reductions in investment costs resulting from the tax exemption, Mr Cheung expects the news to be well received by investors.

Meanwhile, one merchant banker involved in the mainland listings in Hong Kong said that the four already listed had negotiated the tax exemption before their flotation. The State Tax Bureau has been generous with the four listed enterprises, who have been granted an effective income tax of only 15 percent.

Speaking at a stock exchange seminar yesterday, Mr Koo said the exchange would continue to improve the legal and regulatory framework for Hong Kong listings of mainland enterprises. Regular liaison would take place between the exchange and mainland regulatory authorities, to ensure the simultaneous and timely disclosure of information between the two bodies, he said. "Such meetings will take place once every three months, and the third meeting (after the first two in Beijing and Shanghai, respectively) is scheduled to be held in Shenzhen in December."

Besides the four listed firms, Mr Koo said several others had approached the stock exchange to negotiate listings. He anticipated at least two more companies joining the exchange within the year. Maanshan Iron and Steel Company and Kunming Machine Tool Plant are understood to be finalising their flotation plans.

Mr Koo also spoke on the regulatory framework related to connected transactions, compliance and the offer mechanism. He said the offer mechanism should be an issue decided by the company and its sponsors or underwriters.

On connected transactions, Mr Koo said the listing division had always adopted a practical approach in the handling of such matters. "The division will look into the specific circumstances of each case, and there will be no exception for mainland listings," he said.

He admitted, however, that as the exchange's experience with connected transactions in a socialist backdrop was

relatively limited, it would have to watch the developments and review the situation at an appropriate time. He stressed the importance of cross-border co-operation over regulations, and continuous monitoring of developments on the mainland.

"The exchange will have opportunities to review and comment on draft laws and regulations prior to their promulgation," he said. There had also been some leeway in handling listing applications in the face of adverse regulatory developments in China, he said.

### **Program Begins Training Senior Securities Managers**

*OW2609093293 Beijing XINHUA in English 0800 GMT 26 Sep 93*

[Text] Beijing, September 26 (XINHUA)—A top Chinese securities administrator said over the weekend that it is imperative for China to train qualified personnel to meet the needs of the fast expanding securities industry in the country.

Addressing a training class for senior securities managers that opened here yesterday at Beijing University, China Securities Regulatory Committee Chairman Liu Hongru said one of the big problems that confronts the Chinese securities industry is that some Chinese brokers and securities managers know very little about how a standard market operates. As a result, they fail to standardize their daily business dealings and strictly monitor market operations.

"It is urgent to build a legal framework for the securities industry. The enforcement of laws and regulations demands large numbers of qualified personnel in the field," said Liu. "One of our important tasks at present is to train more senior securities managers to ensure the sound development of the securities industry."

The training program was launched jointly by the China Securities Industry Institution under the China Securities Executive Council and Beijing University. The first group of students, 24 in all, came from securities companies and share-holding enterprises across the country.

Their four-month study will cover broad aspects including accounting and management of share-holding companies and securities companies, market operation and analysis, state policies and laws regarding development of securities market.

Officials said that they plan to regularize the training program and make it the "cradle of senior Chinese securities managers".

### **Jet Fighter Manufacturer Seeking Foreign Partners**

*HK2609072793 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 26 Sep 93 p 6*

[Report by Zhang Yuan: "Airplane Maker Keen on Foreign Partners"]

[Text] A Shenyang-based airplane manufacturer known for its advanced F-8II fighter planes is inviting foreign companies to help it develop civilian products now that military orders are dropping.

The Shenyang Aircraft Corporation is willing to co-operate in research and production of such products as airplane parts, automobiles, hovercrafts, die forges and machinery. Meng Qingwen, senior vice-president of the corporation, told Business Weekly.

The aircraft maker needs to enhance civilian production to suit the changes of the market as the country focuses its strength on developing the economy, he said.

Located in Shenyang, capital city of Northeast China's Liaoning Province, the corporation has already established ties with some of the world's top aircraft companies. They include Boeing and Lockheed of the United States, BAe of Britain, Sweden's SAAB, Germany's MBB and de Havilland of Canada.

Meng said the Shenyang corporation is attractive to foreign companies because of its high-tech facilities, strong manufacturing capability and scientific management, he said.

Meanwhile, high quality standards, competitive prices and timely delivery also mean it is in a favourable position to win foreign contracts, Meng said.

For instance, the corporation has signed contracts to manufacture tail cones for C-130 transport aircraft made by Lockheed of the United States, ATP rudders for British Aerospace and Dash-8 cargo doors for de Havilland Aircraft Company of Canada.

It is willing to strengthen co-operation with foreign aircraft companies in developing and manufacturing civilian airplane products in the future, according to Meng.

The corporation also wants to jointly manufacture light-duty cross-country jeeps in Shenyang.

Meng said his company has plans to invest 100 million yuan (\$17.24 million) in the cross-country jeep project. The project, with a designed annual production capacity of 10,000 jeeps, is expected to produce 800 million yuan (\$137.93 million) worth of jeeps a year when completed.

At present, the corporation has already developed several types of buses, including air-conditioned buses and deluxe tourist buses, which are popular in China. Some of the buses have been exported.

To meet market demand, the corporation has also developed full-hovering hovercraft using the latest technology. The hovercraft, with two engines and an advanced control system, can hover on both water and land.

The corporation is also willing to manufacture hovercrafts and air cushion platforms with special requirements for overseas customers.

First established in 1937, the corporation has manufactured thousands of military aircraft in the past four

decades. The corporation's F-8II fighter is a high-altitude, high-speed, all-weather aircraft considered among the most advanced of its kind in China.

Other types of planes manufactured by the corporation include F-5, F-6, F-7 fighters and supersonic trainer and reconnaissance aircraft, which are now in service in the Air Force and Navy of the Chinese People's Liberation Army, Meng said.

#### **'Crackdown' on Evasion Increases Tax Yield**

HK2709075293 Beijing CHINA DAILY in English  
27 Sep 93 p 2

[Report by staff reporter Wang Yong: "Tax Yield Rises After Crackdown"]

[Text] Industrial and commercial taxes brought in 24.5 billion yuan (\$4.22 billion) in August as China began to crack down on arbitrary local tax breaks.

The figure, released by the State Taxation Bureau, was a 21.2 per cent increase on last August and 4.28 billion yuan (\$738 million) more than was pooled in July.

The surge came largely from a whopping increase in turnover taxes and tax from overseas-funded enterprises.

Revenue from these two sectors last month came to 3 billion yuan (\$517 million), or 70 per cent of the increase.

Tax from the nation's 140,000 ventures involving overseas investment soared 93.6 per cent in August, but the bureau gave no specific amount.

Value-added tax, however, inched up only 5.4 per cent to 6.63 billion yuan (\$1.14 billion).

And revenue from steel products and non-ferrous metals plummeted due to sluggish domestic demand.

These raw materials had been in high demand amid rapid economic expansion. However, after the government restructured the economy and tightened credit in July their markets flooded and prices fell.

The surge in industrial and commercial revenue bolstered a steady increase in overall State revenue.

Nevertheless, enterprises still had appalling tax arrears.

In August, the nation's enterprises still owed 13.8 billion yuan (\$2.4 billion), 1.8 billion yuan (\$310 million) more than the month before.

The country's overall revenue from January to August reached 254.9 billion yuan (\$43.9 billion), up 8.6 per cent over the same period last year.

And in August alone it was 30.4 per cent higher than in the same month a year ago.

Tax from individuals grew by 68.2 per cent—good news for senior government officials who have been waging war on tax dodgers.

Officials from the State Taxation Bureau have predicted that taxes on individuals will make up almost 10 per cent of total State revenue by the end of the year.

Xu Shanda, deputy director general of the bureau's tax reform department, argued that China's revenue has grown at the expense of enterprises.

"We've pocketed too much from our enterprises, while in foreign countries individuals pay the most to State coffers," he said, adding that China's current budget system has failed to include a lot of potential financial resources.

"If they are included, China can reap 600 billion yuan (\$103 billion) a year, which will make up 25 per cent of our GNP (gross national product)," he concluded.

But now, China's annual revenue is only about 440 billion yuan (\$75.9 billion).

China Daily has learned the government is considering some new taxes which are likely to take effect in the near future.

Bureau officials, however, refused to say what sectors these new items would cover.

But they insisted current taxpayers would have to carry no new burdens.

The State Taxation Bureau has also launched an anti-corruption campaign among its staff to ensure more revenue.

Some staff have been found to turn a blind eye to State revenue losses after being bribed by those under their supervision.

#### **Coal Prices To Float Freely on Market Next Year**

HK2709064593 Hong Kong AFP in English 0343 GMT  
27 Sep 93

[Text] Hong Kong, Sep 27 (AFP)—The Chinese Government is to stop subsidizing the coal industry and will allow all coal prices to freely float on the market starting next year, a newspaper said Monday. Coal industrial officials were quoted by the Beijing-run Ta Kung Pao newspaper as saying that the central government would no longer subsidize the coal industry in 1994.

Since 1992, the state has allowed some major coal mining firms to determine coal prices according to market demand, and this year, another batch, representing one-third of coal mining industry were freed from controls.

For the past three years, the state had paid subsidies of more than six billion yuan (1.05 billion dollars) to the industry to cover losses. But since the partial freeing of coal prices from major mines, the industry's losses have fallen by 919 million yuan (161 million dollars) to 2.3 billion yuan (404 million dollars) for the first six months this year, the report said.

The market price of coal on the open market in China stands at 120 yuan (21 dollars) per tonne, but in coal-short



eastern China, it fetches more than 200 yuan (35 dollars) per tonne, the newspaper said.

### **'Serious Imbalance' in Public Consumption Structure**

HK2509041693 Beijing ZHONGGUO XINWEN SHE  
in English 0248 GMT 25 Sep 93

[Text] Beijing, September 25 (CNS)—According to the Economic Research Centre under the State Planning Commission, a serious imbalance can be seen in the consumption structure for the general public.

The centre held that China has for a long time paid attention only to the production and supply of materials while issues of a non-material kind have been ignored. The level of foodstuff consumption by the general public in the country has reached an international level and the level of consumption of clothing and daily necessities, especially household electrical appliances has even surpassed that in middle-level income-earning countries. The country, however, has seen a very poor supply of services with people suffering difficulties in travelling, urban transport, telephone installation, house-leasing, attending school and having repair work done. While 80 percent of the population in Lhasa, capital of the Tibet Autonomous Region, now have access to a colour television set, more than the current average level in France, the level of telecommunication in the city is very backward with only one percent of the population having a telephone, a figure even lower than that found in economically backward countries in Africa.

According to the centre, such abnormal consumption in China mainly results from the contradiction of the industrial structure. If tertiary industry can be developed comparatively rapidly, the number of such enterprises and their employees will increase and the demand for non-consumer goods will be enlarged and the distorted consumption structure will be improved. China should speed up the development of tertiary industry in the country with the focus put on transport, telecommunications, education and science and technology.

### **Maanshan Steel Company Becomes Joint-Stock Business**

OW2409143793 Beijing XINHUA in English 1340  
GMT 24 Sep 93

[Text] Hefei, September 24 (XINHUA)—The state-run Maanshan Iron and Steel Company, a major steel producer in China, has set up a shareholding company that will issue shares on the mainland and Hong Kong.

Hong Hu, a vice minister of the State Commission for Restructuring the Economy, said that the company based in Maanshan, Anhui Province, is the first company in China's metallurgical industry to be transformed into a standardized joint-stock business and the largest company in China to do so in terms of the value of shares issued in Hong Kong.

The Anhui provincial government decided in June 1992 to introduce the joint-stock system in the company, with full support from Chinese leaders and the Ministry of the Metallurgical Industry.

A company official said that with the approval of the State Commission for Restructuring the Economy, the company has become one of the nine major state-run companies trying out the shareholding system.

He said that since then the company has reformed its accounting system to comply with internationally accepted practices, has evaluated its fixed assets and streamlined its subsidiaries.

The company now has been replaced by two firms—the Maanshan Iron and Steel Co. Ltd. and the Maanshan Iron and Steel Corporation—both of which will operate according to internationally accepted practices and the needs of a market economy.

All non-productive subsidiaries of the old company are currently affiliated with the corporation, which will control most shares of the Maanshan Iron and Steel Co. Ltd.

Hang Yongyi, general manager of the corporation, said, "I think the two new companies will swim in the sea of a market economy with new faces, will become more vigorous and competitive, will quicken the pace of their development."

During the 1991-2000 period, the two companies will spend 20 billion yuan (about 3.5 billion U.S. dollars) upgrading production processes and building new production facilities, said Hang, who is also chairman of the Maanshan Iron and Steel Co. Ltd.

As a result, the companies will be able to produce six million tons of pig iron and the same amount of steel annually by the year 2000, both three times the current production, he added.

### **Shipbuilding Corporation Reports 'Steady' Growth**

OW2409142193 Beijing XINHUA in English 1321  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—From January to August this year, China built new ships with a total capacity of 840,000 dwt [deadweight tons], a 55 percent increase over the same period last year, setting a historical record.

Sources from the China State Shipbuilding Corporation said the country's shipbuilding industry has maintained a steady increase since the commencement of opening and reform policies some 14 years ago.

In 1981 China built ships of only a little more than 400,000 dwt. By 1992 the figure had risen sharply, to 1.12 million tons, ranking fifth in the world.

By the end of 1992, China's shipbuilding industry had received domestic and overseas ship orders for 3.8 million tons of ships, ranking third in the world. According to the

orders, some 1.2 million dwt will be finished this year, while 1.4 [million] dwt will be finished next year.

In recent years China's shipbuilding industry has also actively participated in international bidding. From 1979 to 1992 export contracts for 4.6 million dwt in civil ships were signed, of which 2.2 million dwt have been finished. Now exported ships constitute 40 percent of the country's total shipbuilding production.

So far China has sold its ships to more than 30 countries and regions in five continents, and the assortment of exported ships has developed from common bulk freighters and crude oil tankers to finished oil tankers, chemical product ships, car carriers, reefer container ships, refrigerating ships and liquefied gas carriers.

In addition, the exported products of the country's shipbuilding industry have extended from civil ships to sea platforms, foreign ship repairing, shipborn machinery and instruments, as well as other machinery and electronics products. The exported value has accumulated to more than four billion U.S. dollars.

The technological level of China's shipbuilding industry has undergone a qualitative leap compared with 14 years ago. To date 50 technological advances in shipbuilding have been introduced from overseas, covering shipborn diesel engines, electric generating units, deck cranes and other key equipment.

The application of computer technologies has played an important role in the fields of ship-designing, production, automation of technological equipment and enterprise management, and a complete set of computer application systems has been formed from designing and testing to the building of ships.

The welding quality and painting techniques of China's shipbuilding industry have also reached international standards, according to the sources.

Based on absorbing imported techniques, the country's shipbuilding industry also made active efforts in self-development and blazing new trails. The 65,000 dwt cargo ships designed by Jiangnan shipyard have been exported in lots, and Dalian shipyard has also succeeded in designing 44,000 dwt and 95,000 dwt finished oil tankers and 150,000 dwt bulk freighters.

According to the state's plan, by 2000 China will try to edge itself into the forefront of the world's shipbuilding countries, improve the capacity for the building and repairing of large ships, and ensure that the construction of the 200,000 dwt dock in Dalian and the 100,000 dwt dock in Guangzhou progress smoothly.

#### **Li Ruihuan Attends Opening of Tianjin Overpasses**

OW2709150693 Beijing XINHUA in English 1340  
GMT 27 Sep 93

[Text] Tianjin, September 27 (XINHUA)—Two new major flyovers in Tianjin were opened for traffic today.

Li Ruihuan, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China and chairman of the National Committee of the Chinese People's Political Consultative Conference, cut the ribbon at an opening ceremony to mark the event.

Covering an area of seven hectares, the four-layer Wangdingti flyover is the largest of its kind in Tianjin, a coastal city in north China. As one of the three largest flyovers in the country, Wangdingti can accommodate up to 50,000 vehicles per day.

The Beizhan flyover, above a juncture of railways in the city, was also unveiled today.

Experts said that the two flyovers will help solve the problem of traffic jams, improve the city's infrastructure and the investment environment, and promote economic development.

#### **Zou Jiahua at Beijing-Tianjin-Tanggu Expressway Opening**

OW2509180793 Beijing XINHUA in English 1545  
GMT 25 Sep 93

[Text] Tianjin, September 25 (XINHUA)—The Beijing-Tianjin-Tanggu expressway opened to traffic today.

Vice Premier Zou Jiahua and other leaders of the Ministry of Communications, and of Beijing and Tianjin municipal governments attended the official ceremony for the highway's opening to traffic.

As the first expressway which was approved for construction by the State Council, the highway runs from the fourth ring road of Beijing in the west to Tianjin Xingang port in the east. It runs through two cities and one province and it is 142.9 kilometers long.

One section of the expressway from Beijing to Tianjin which is 72 kilometers long opened to traffic in January 1991.

An official of the Ministry of Communications said that the expressway is the best high-grade highway in China and it shows that the technology of highway construction and management in China has reached an advanced international level.

He said that the express highway can accommodate 50,000 vehicles passing daily and can carry 50 million tons of cargo a year.

During the past two years since the section of Beijing-Tianjin expressway opened to traffic, Beijing, Tianjin and Hebei Provinces set up nine new and high technological development zones which absorbed about 1,000 foreign-funded enterprises.

#### **Zou Jiahua at Suizhong Offshore Oil Field Opening**

OW2609170293 Beijing XINHUA in English 1551  
GMT 26 Sep 93

[Text] Beijing, September 26 (XINHUA)—Suizhong 36-1 oilfield, the first offshore oilfield prospected and opened up by China itself, was officially put into production today.

This shows that China has reached the internationally advanced level in designing, building, installing and managing offshore oilfields.

Chinese Vice-Premier Zou Jiahua attended the ceremony to mark this event.

Located in Liaodong Bay of north China's Bohai Sea, Suizhong oilfield was discovered in December 1986 by Bohai Petroleum Company. The oilfield's total reserves are estimated at 250 million tons. The total investment in the oilfield amounts to 1.8 billion yuan.

So far, 11 wells in the oilfield have gone into production. They produce 1,700 cubic meters of oil and gas daily. The oilfield is expected to produce 1.8 million tons of oil every year.

It will take eight years to recover the investment in the oilfield, two years ahead of schedule.

### **Chen Junsheng in Inner Mongolia; at Meeting on Deserts**

*OW2709150593 Beijing XINHUA in English 1351 GMT 27 Sep 93*

[Text] Chifeng, September 27 (XINHUA)—North China's Inner Mongolia Autonomous Region has been enjoying bumper harvests and good results from animal husbandry for several years running.

Its grain output is now enough for its own needs.

These were points stressed by Chinese State Councillor Chen Junsheng during his inspection of the region over the past three days.

He noted that Inner Mongolia has reached a turning point in its economic construction.

During his inspection tour Chen also presided over a national meeting on desert-control projects.

In remarks concerning irrigation and flood-control works, he encouraged the region to channel water from the Yellow River into its fields to combat salinization of the soil and the encroachment of deserts.

In addition, he urged the region to pay more attention to improving the quality of its agricultural and livestock products.

As for local township enterprises, Chen said that the region could speed up the development of this sector, provided that efficiency is guaranteed.

### **More on Jiang, Li Letter to Desertification Meeting**

*OW2709061893 Beijing XINHUA Domestic Service in Chinese 0811 GMT 24 Sep 93*

["Letter from General Secretary Jiang Zemin and Premier Li Peng to the National Desertification Conference"]

[Text] Chifeng, 24 Sep (XINHUA)—All-China Greening Committee:

On the occasion of the convening of the National Conference on Desert Control, we wish to extend our warm congratulations to the meeting and express, through you, our cordial regards to the vast number of cadres, masses, scientific researchers, engineering and technicians who work hard on desert control.

China is one of the countries in the world that has relatively large and extensively distributed deserts which have caused serious damage. Since the founding of New China, under the leadership of the party and the government, the vast number of cadres and people, as well as forestry and irrigation scientists and technicians in desert areas, have waged protracted, unremitting struggles against deserts and made tremendous efforts to effectively harness expansion of desertification and improve the ecological environment. China's efforts to control deserts have now entered a new period of great development in which results over large areas are being emphasized. Our tasks have now become even more urgent and heavy. Desert control, a cause of public good which benefits people of this and future generations, involves many departments, trades, and branches of learning. The CPC Central Committee and the State Council hope that party committees and governments at all levels in desert areas will continue to heighten their sense of responsibility and set goals for leading cadres to fulfil during their terms of office. All relevant departments should cooperate in close coordination with each other, and work earnestly for the benefit of the people and the country. It is also hoped that the vast number of cadres and masses in desert areas will continue to display their hardworking, persevering, and exploratory spirit and strive to create a new situation for controlling desertification in China.

[Signed] Jiang Zemin, Li Peng

[Dated] 23 September 1993

### **Researcher Warns Against Expanding Desert**

*OW2609143593 Beijing XINHUA in English 1401 GMT 26 Sep 93*

[Text] Hohhot, September 26 (XINHUA)—The 1.49-million-square-km desert in the north and northwest of China is still expanding at a rate of 2,100 square km each year, a senior desert researcher warned here recently.

Having devoted his life to the research of the Mongolian desert since the 1970s, 54-year-old Jing Ai, a researcher of the Relics Research Institute of China, is now writing two books on the formation and expansion of that wilderness.

Jing said that of the 13 largest desert and Gobi areas in China, nine are in inner Mongolia, whose desert area is second only to Xinjiang in the northwest.

The wide areas of desert in inner Mongolia are related to its geological structures, Jing said, adding that in ancient times, inner Mongolia was a large interior lake. When the lake bottom became dry land, the surface soil thinly covered a thick layer of sand and silt.

Jing noted that this plus the dry climate make the area very vulnerable to erosion when the vegetation is damaged by human activities.

In fact, Jing said, of the Mongolian deserts, only the Badain Jaran and a few others were "born to be" during the geological time of two to three million years ago.

The rest, including the Horqin, the Mu Us, the Hobq and the Ulan Buh Deserts, were all caused by improper human activities during the past several thousand years, according to Jing.

Numerous archaeological findings in the area and the heritage of ancient literature about it have proved that the vegetation and environment of inner Mongolia once were very fit to human living, Jing said.

Otherwise, Jing continued, the living and prospering of so many ethnic minorities in the area—the Xiongnu (Hun), the Xianbei (Sienpi), the Tujue (Turk), the Qidan (Khitan) and the Mongolian—would have been totally impossible.

He said that a typical example of how the grassland was replaced by desert under the influence of human activities is the Horqin area between the Jirem League and Chifeng City in the eastern part of the region.

Just 1,000 years ago, the 42,000-square-km area was still an expanse of thick woods or prairie. Part of it remains today as the Daqinggou Nature Reserve, which attracts many researchers and tourists every year, Jing said.

An ancient wood has been perfectly preserved in the reserve, making it the habitat of more than 700 species of plants and 70 species of animals and birds.

Not far from the reserve, archaeologists have unearthed a tomb of a Qidanian. Under the body, a layer of birch tree bark has been found, evidence that birch trees were growing

in the area 1,000 years ago in the Tang Dynasty (618-907), though no trace of the tree can be found today, Jing said.

According to Jing, the decline of the grassland in the area began in the tenth century. At that time, many Han Chinese living in today's Beijing area were forced by the Qidanians to move north to the Horqin area. They cut down the trees and converted the grassland for crop cultivation, causing the ecosystem to be destroyed.

By the 11th century, envoys of the northern Song Dynasty (960-1127) already reported the sight of sand dunes and salinized soils on their way to the Liao Empire (916-1125) founded by the Qidanians.

In another century, the Liao Empire had to move the capital of the then Hanzhou Province further east to escape from the attacks of sand storms.

Another example Jing cited is the Ejina banner in the western end of inner Mongolia.

Until the year 200 B.C., the area was an ideal place for nomads. But to prevent the Huns from invading the south, the western Han Dynasty (206 B.C.—24 A.D.) relocated many people from central China to the area. The reclamation of grassland for the planting of grain caused a rapid desertification of the land.

Within five hundred years, the area had become an expanse of desert, Jing noted.

To prevent the replaying of this historical tragedy, Jing said, the government must stop near-sighted policies and give more attention to desert control in composing the economic and social development plan.



## East Region

### Anhui Governor Fu Xishou on Anticorruption Struggle

OW2409015493 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 10 Sep 93

[By station correspondent Xiao Guang and station reporters Liu Wenqing and Hua Yan; from the "Provincial Hookup" program]

[Text] A provincial conference on improving party style and building clean administration, convened by the provincial party committee, concluded yesterday. The conference urged party and government organizations at all levels to regard the anticorruption struggle as an important and urgent political task and to pay close attention to this task. They should make determined efforts to achieve results within this year by carrying out the party's basic line in an all-round way to consolidate and develop the current healthy trend in reform, opening up, and economic construction in Anhui.

During the meeting, participants conscientiously discussed Lu Rongjing important speech made at the meeting and the opinion on ways to carry out the party Central Committee's short-term plan on fighting corruption.

Lu Rongjing, secretary of the provincial party committee, presided over yesterday's meeting. Fu Xishou, deputy secretary of the provincial party committee and governor, gave a concluding speech. Seated at the rostrum were members of the provincial party committee standing committee, including Yang Yongliang, Wang Taihua, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Meng Fulin, and Shi Junjie.

In his speech, Fu Xishou pointed out: In recent years, the central and provincial party committees have always paid close attention to strengthening party style and building clean administration and have made progress in fighting corruption. At the same time, we should soberly realize that the anticorruption struggle remains a heavy task at present. Party and government organizations at all levels must deepen their understanding of the significance of the anticorruption struggle, enhance their sense of urgency, do solid work, and take a clear-cut stand in fighting corruption.

Fu Xishou stressed: We should pay attention to problems in the following five aspects while conducting the current anticorruption struggle: 1) We should fully recognize the protracted and difficult nature of the anticorruption struggle. We should make consistent efforts in fighting corruption and promoting clean government. We should organically combine the anticorruption struggle with reform, opening up, and economic development. 2) We should make determined and painstaking efforts to halt evil practices that the broad masses of the people strongly resent. Curbing indiscriminate collection of fees should be the top priority of our endeavor to rectify evil practices. We should screen the situation of fee collection in all localities, departments, and trades. We should resolutely

abolish fees that should not be collected. Accounting of revenues and expenditures for incomes from fines and fees confiscated must be done separately. We should resolutely rectify unauthorized institution of new fees and resolutely abolish those that should not exist. Relentless efforts must be made to halt the evil practice of using public funds for tours abroad under various pretexts. We should ensure a thorough job in screening indiscriminate fee collection and use of public funds for tours abroad. 3) We should enhance the awareness of the masses by conscientiously and seriously investigating and handling cases of encroaching on the interests of the masses to protect their interests, and should earnestly solve problems, of which the masses are strongly resentful. 4) We should deepen anticorruption struggle by striving to achieve a breakthrough in investigating and handling a number of major cases. Principal party and government leaders must dare to conduct investigations and tackle problems; and they must be brave in taking up responsibilities. No matter who is involved, it is necessary to duly handle cases on the basis of facts and using the law as the yardstick. 5) We should step up the improvement of systems and strengthen mechanisms for supervision and restraint. Principal leading comrades at all levels must personally handle important letters from the people and discover from these letters crucial clues, tendencies, and symptoms of problems. Through various supervisory channels, principal leading comrades should firmly and effectively expose and strike at corrupt phenomena.

Fu Xishou urged party committees at all levels to strengthen their leadership over the anticorruption struggle. The provincial party committee has worked out specific arrangements for the current anticorruption struggle. Localities and departments must implement these arrangements to the letter.

In conclusion, Fu Xishou emphatically pointed out: In launching the anticorruption struggle, we should draw a clear line in applying principles and policies, strictly do things according to the law, and strictly distinguish and correctly deal with two different kinds of contradictions. Mistakes in reform and opening up are problems arising from failure to summarize experiences and draw lessons; and they are completely different from economic crimes in their nature. We should strictly distinguish between such mistakes and economic crimes. The anticorruption struggle should be closely centered on and serve the central task of economic construction so as to maintain the current good momentum in the provincial economic development.

### Anhui Cracks Down on 'Severe' Economic Crimes

OW2609033393 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 24 Sep 93

[From the "Provincial Hookup" program]

[Text] In a news conference held in Hefei 23 September on the crackdown on severe economic offenses, the Anhui Provincial Higher People's Court [APHPC] gave a briefing on the court's recent decisions on four major cases of economic offenses.

Defendant Zhang Yun, male, 27, formerly a teller at the (Licang) Savings Agency of the Agricultural Bank in Mengcheng County. From January 1989 to June 1991, Zhang took advantage of his office to embezzle 133,000 yuan. In view of the huge amount of the embezzlement and the seriousness of the offense, the Fuyang Prefectural Intermediate People's Court sentenced him to death and the deprivation of political rights for life. Zhang did not agree with the decision and filed an appeal. After reviewing the case, the APHPC rejected the appeal and affirmed the original judgment in accordance with the law. Judgment in the second instance was announced on 22 September 1993 and it has been submitted to the Supreme People's Court for review.

Defendant Luo Zhen, male, 29, formerly a clerk at the Xinwu Street branch of the Wuhu City Posts and Telecommunications Bureau. Taking advantage of his position, he embezzled 64,000 yuan of public funds. In view of the huge amount of the embezzlement and the seriousness of the offenses, the Wuhu City Intermediate Court handed down a death penalty with a two-year suspension of execution and deprivation of political rights for life. The APHPC reviewed the cases and affirmed the original sentence of the death penalty with a two-year suspension of execution and deprivation of political rights for life. Its decision was announced on 20 September 1993.

Defendant Li Junhui, male, 39, formerly a manager of an energy and materials company in Xuanzhou City. Taking advantage of his office, he embezzled more than 40,000 yuan of public funds. He diverted, for use by himself and others, more than 130,000 yuan of public funds under his charge. This action constituted the offense of a misappropriation of public funds because the money was returned over three months. About 47,000 yuan of that money had still not been returned when the investigation was concluded, and he was therefore also prosecuted on embezzlement charges. Li was also directly involved in evading 83,000 yuan in taxes. After his arrest, he provided the authorities with clues to economic offenses committed by a dozen or so people. After taking into consideration the services he performed to atone for his crimes, he was treated with leniency. The Xuancheng Prefectural Intermediate People's Court sentenced him to 15 years on embezzlement charges, 10 years on misappropriation charges, and two years for tax evasion. Combining the three sentences, it was decided that he would serve a 20-year term of imprisonment. Li did not agree with the decision and filed an appeal. After reviewing the case, the APHPC rejected the appeal and affirmed the original judgment according to law. The sentence was announced on 21 September 1993.

Defendant Li Jun, male, 37, formerly a cadre at the power administration section of the provincial power industry bureau. Taking advantage of his office, he embezzled 975,000 yuan of public funds. In view of the huge amount of his embezzlement, he was sentenced to death and deprivation of political rights for life by the Hefei City Intermediate People's Court. The sentence was announced in an open trial on 22 September 1993. Li Jun did not

agree with the decision and has filed an appeal. The case will be reviewed by the APHPC, the court of second instance.

#### **Fujian Elects Wang Jianshuang Vice Governor**

HK2509075293 Beijing XINHUA Domestic Service in Chinese 0440 GMT 25 Sep 93

[Text] Fuzhou, 25 Sep (XINHUA)—At the fifth meeting of the Standing Committee of the Eighth Fujian Provincial People's Congress, held several days ago, Wang Jianshuang was elected vice governor of the province.

#### **Jiangsu Boosts Export-Oriented Economy**

OW2409085793 Beijing XINHUA in English 0719 GMT 24 Sep 93

["Roundup": Jiangsu boosts export-oriented economy"]

[Text] Nanjing, September 24 (XINHUA)—While exercising macroeconomic control to reign in overheated investment, east China's Jiangsu Province has given no letup in its efforts to maintain a high-speed development of its export-oriented economy.

According to Ye Jian, chairman of the provincial committee of foreign trade and economic cooperation, the province's exports in the first eight months of this year were up 27.31 percent over the same period of last year.

The province approved the establishment of 6,762 foreign-funded enterprises during this period, an increase of 230 percent. These enterprises involved a contracted total of 6.95 billion U.S. dollars, up 330 percent.

About 5,000 foreign-funded enterprises have gone into operation.

Ye noted, "the state's effort to exercise macroeconomic control is aimed at steadily and healthily developing the national economy in order to create a sound structure for further reform and opening to the outside world. It is absolutely correct and necessary."

The province's seven cities of Nantong, Yangzhou, Suzhou, Wuxi, Changzhou, Zhenjiang and Nanjing are making use of their locations along the Yangtze River to enter the international market.

Located in the eastern section of the Eurasian continental bridge, Xuzhou, Huaiyin, Yancheng and Lianyungang, cities in northern Jiangsu, are expanding economic cooperation with provinces and regions in northwest China.

In Jiangsu, 1,250 towns, 40 counties and nine cities have been approved to open further to the outside world.

In addition, the province has exploited its strong industrial foundation and scientific forces to attract foreign capital.

According to statistics, the province has approved the establishment of 16,868 foreign-funded enterprises, ranking second nationally after Guangdong. Jiangsu has absorbed investment totalling 15.89 billion U.S. dollars.

A survey shows that the province has opened 297 enterprises overseas with a combined investment of 131.86 million U.S. dollars.

The province's macroeconomic control measures have been appreciated by overseas business people.

"Jiangsu's success has enhanced our confidence in investment here," said Or Leung Chit, general manager of the East China Office of Chi Wah Hong (Hong Kong) Company.

His company has set up several joint venture companies in the province.

He noted that the employees of his companies have to work extra hours because production is falling short of market demand.

### **Shandong City Sentences Smugglers to Imprisonment**

SK2609023593 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 24 Sep 93

[Text] Recently, Rongcheng city held an open trial to deal blows to smugglers. Zhang Huibin, Tang Hongqing, Song Xuejian, and six other smugglers were respectively sentenced to imprisonment of three years or less. This is the first group of smuggling cases publicly pronounced in the province according to law.

Zhang Huibin, former manager of the Foreign Trade Corporation at Weihai city Economic and Technological Development Zone; and Che Xijin, deputy manager of the same corporation, smuggled 50 cars from the ROK, in collusion with unlawful traders residing abroad. Qiu Hongzhi, former secretary of the party committee of (Fuyi) town in Rongcheng city, instructed Liu Jianchang, director of the (Fuyi) town papermaking plant in Rongcheng city, to raise funds to participate in this smuggling case. All of the above-mentioned criminals committed the crime of smuggling. Principal criminal Zhang Huibin was sentenced to three years' imprisonment and Che Xijin, Liu Jianchang, and Qiu Hongzhi were sentenced to two years imprisonment with two years probation. The illegally gained income of the Foreign Trade Corporation at Weihai city Economic and Technological Development Zone and of (Fuyi) papermaking plant in Rongcheng city was all confiscated, and 100,000 yuan of fines were imposed on each of them.

Tang Hongqing, former manager of the fishing service company under the (Fujiatuo) Fishery Corporation in (Rongxubao) town in Rongcheng city, smuggled 35 cars from the ROK. Yuan Zhimeng, former manager of (Rongxu) fuel supply company in Rongcheng city; Tan Chunli, former manager of (Rongxu) border trade company in Rongcheng city; and Li Tanzheng, former vice manager of (Ludong) Materials Trade Joint Corporation in Weihai city, took an active part in this case, thus constituting the crime of smuggling. Tang Hongqing was sentenced to three years imprisonment, Yuan Zhimeng and Tan Chunli were sentenced to two years imprisonment, and Li Tanzheng was sentenced to one year imprisonment

with two years probation. The units where the above-mentioned criminals served had the illegal income confiscated and were fined 100,000 yuan or 50,000 yuan, respectively. In addition, four fishing ships that engaged in smuggling, 26 ROK-produced cars, and two ROK-produced vans were confiscated according to law.

Song Xuejian, former manager of (Huanghai) general trade warehouse in Rongcheng city, who illegally smuggled cigarettes, was sentenced to two years imprisonment with two years probation. In addition to confiscating all the illegal income of (Huanghai) general trade warehouse, 100,000 yuan in fines was imposed on the warehouse.

### **Zhejiang Increases Use of Foreign Investment**

OW2409065593 Beijing XINHUA in English 0602 GMT 24 Sep 93

[Text] Hangzhou, September 24 (XINHUA)—East China's Zhejiang Province approved 3,074 foreign-funded ventures by the end of August this year, involving a total contracted investment of 2.57 billion U.S. dollars.

In the same period, the province actually used 593 million U.S. dollars in foreign capital, equaling the total amount the province introduced in the previous 13 years.

A local official says that businessmen from 69 countries and regions have invested in the coastal province which has a growing private sector.

The investors became more interested in basic and service industries. Solely foreign-funded enterprises have also greatly increased.

The investors mainly come from Hong Kong, Macao, Taiwan, the United States and Japan.

## **Southwest Region**

### **Sichuan Satellite Ground Station Operational**

OW2309133293 Chengdu Sichuan Television Network in Mandarin 1145 GMT 22 Sep 93

[From the "Sichuan News" program]

[Text] At the "702" broadcasting station on Mt. Longquanshan in Chengdu yesterday, an uplink satellite ground station of the provincial Radio and Television Department tested as satisfactory by the China Communication and Broadcasting Satellite Corporation was successfully and officially hooked up with the broadcasting network. [video opens with a zoom shot toward a satellite ground station, followed by a closeup of a large dish antenna; cuts to show pan shots of officials visiting a radio room; closes with a long shot of officials speaking at a news conference]

While the "702" station undertook all construction work for the satellite ground station, its transmitter and 12-meter large-diameter dish antenna were made by the No. 11 Research Institute of the Ministry of Posts and Communications and the No. 39 Research Institute of the Ministry of Electronics Industry respectively. Preparatory work and earth work for the entire project began in



November 1991, while the adjustment and installation work was carried out successfully in a single operation on 29 August this year.

The station will be officially put into operation on 1 October to uplink the programs of our province's Sichuan Television Network, Sichuan People's Radio Network, and Sichuan Cable Television Network. Thereupon, the provincial stations' radio and television programs will be able to reach the entire province and most parts of the country via satellite.

(Liang Chongmu), provincial radio and television department deputy director, and chief engineer (Zhang Yanchu) took part in yesterday's news conference on the successful network hookup.

### **Commentator's Article on Opposing 'Separatism' in Tibet**

*OW2709124493 Lhasa Tibet People's Radio Network in Mandarin 1425 GMT 26 Sep 93*

[Announcer-read "commentator's article" originally published in the 25 September issue of XIZANG RIBAO: "Firmly Launch Struggle Against Separatism"; from the "Tibet News" program]

[Text] Opposing separatism and safeguarding social stability constitute a political guarantee for the modernization drive in our region; these are also long-term tasks. Recently, our autonomous regional party committee stated that we must have clearer understanding of the situation and resolutely strike at separatist forces to preserve social stability and ensure the smooth process of economic construction and the implementation of the reform and opening policy. It said that while party and government organizations at all levels must focus on economic construction and firmly proceed with reform and opening up, they must place the struggle against separatism high on the agenda and maintain Tibet's stability. Leaders at various levels, especially top party and government leaders, must take personal charge of stabilizing the situation, regularly study the new situation and new issues in their regions and departments, and firmly carry out the anti-separatist struggle.

To push forward socialist modernization, we must focus our attention on economic construction; and to boost economic construction, we must create a peaceful social environment and a stable situation. Without a stable situation, we cannot possibly seize the opportunity to develop the productive forces in society and raise the living standards of the masses. Opposing separatism and stabilizing the situation are major issues having a close bearing on whether or not the party's basic line can be carried out in all fields in Tibet; these are major issues concerned with our country's unification, national solidarity, and Tibet's development and progress, and they are issues which are in the fundamental interests of the people of all nationalities across the country, including the people of Tibet. We must adhere to the principle of dealing firmly with issues in two areas: While striving for success in our

economic construction, we must also firmly and properly proceed with projects to oppose separatism and stabilize the situation.

We have accomplished a great deal of work and achieved great successes in fighting separatism and in stabilizing the social situation, but we must also be aware of the many new situations and new problems confronting us in the course of our antiseparatism struggle. We must never lower our guard, and should pay great attention to resolving problems that must not be overlooked. We must seriously study and analyze these new situations and new problems, and, with specific objectives in mind, do a good job in opposing separatism and stabilizing the situation.

First, party and government leaders at all levels must enhance their understanding on the antiseparatism struggle and should attach great importance to the task of stabilizing the situation. We must ensure sound and rapid economic development and long-term peace and stability in the social environment and political situation.

Second, while launching the struggle against separatism, we must ensure that we have a firm grasp of policy so that we guard against leftist and rightist tendencies. Mentally, we must be highly vigilant; politically, we must be firm and decisive.

Third, we must strengthen the party's organizational construction by getting rid of politically corrupt elements and making a clean break with separatist forces. At the same time, we must make all efforts to select, train, and commend cadres at various levels who have made outstanding contributions to the antiseparatism struggle and establish them as advanced models.

Fourth, we must extensively educate the public on patriotism and the current situation. We must educate the people on the history of Tibet's relations with the motherland, as well as historical patriots and events of the Chinese nation. At the same time, we must promptly expose separatist elements' conspiracies to carry out separatist activities and expose their ever-changing strategies and tactics so that the people can see their true features.

Fifth, we must consolidate the people's democratic dictatorship and hit hard at separatists who undermine the unification of the motherland and strike at all criminals who sabotage socialist modernization and jeopardize social security, thereby creating a favorable social environment for implementing the reform and opening policy.

The struggle against separatism is an arduous and long-term task. All party members and leading cadres at all levels must regularly propagate the party's principles and policies to the people, rely closely on the masses in waging the struggle against separatist forces, and earnestly fulfill all assignments to fight separatism.

### **Tibet's Economic Development on 'Fast Track'**

*OW2609145793 Beijing XINHUA Domestic Service in Chinese 2130 GMT 18 Sep 93*

[By Liu Shuiyu (0491 3055 3768)]



[Text] Lhasa, 18 Sep (XINHUA)—Thanks to the special policy granted by the CPC Central Committee, the implementation of special measures, and the pliable internal and external environment created by the policy of reform and opening up, Tibet autonomous region has gotten onto the "fast track" of economic development.

According to a briefing by Gyaincain Norbu, chairman of the autonomous regional government, the total value of Tibet's gross products in 1992 was 3,329 million yuan, its total income was 2,818 million yuan, its total volume of retail sales was 1,684 million yuan, and its per capita income of farmers was 490 yuan, up 161.7, 410, 277, and 126.7 percent, respectively, over 1983. The economy has been growing at an average yearly rate of 7.1 percent.

The CPC Central Committee and State Council have shown great care for Tibet's economic and social development. Since the 1980s, they have granted Tibet a series of preferential policies, such as the exemption of the agricultural and livestock tax for rural areas, which has allowed them to rest and build their strength; the abolition of planned and assigned procurement of farm, livestock, and special local products; the policy of low tariffs and low taxation; additional financial subsidies; allowing local authorities to retain all tariffs collected in the Lhasa Customs Zone; preferential interest rates for loans; and local retention of all foreign exchange earnings. Thanks to the implementation of these preferential policies, Tibet has experienced tremendous economic and social changes. Village and township enterprises have expanded enormously; last year their total income was 230 million yuan. In the first half of this year, more than 100 new enterprises emerged across the region; the total income was 140 million yuan, up 19 percent over the same period last year. Basic facilities for industry and agriculture have been strengthened; the agricultural development program for the Yarlong Zangbo, Lhasa, and Nyang Qu River valleys; renovation of the Qinghai-Tibet and Sichuan-Tibet Highways; and construction of a number of large and medium-sized priority projects including the Yanzgig Yumco Pump-Storage Power Station are well under way.

Tibet, which had long been closed to the outside world, is waking up and implementing the open policy of "catching a ride out to sea on the boat and taking advantage of local resources to produce wealth." It has made vigorous efforts to develop lateral economic cooperation and attract funds and import technology from abroad. Tibet has set up scores of export-oriented trade and business entities in Shenzhen, Hainan, and other coastal cities; opened up its borders for trade; and invited investors from home and abroad to the "roof of the world" to develop resources and trade. As a result, Tibet's economic "feelers" have grown considerably both at home and abroad.

This year, Tibet is opening up wider to the outside world around the general objective of building a socialist market economy. The completed investment in capital construction was 551 million yuan, up 37.5 percent over the same period in 1992. The completed investment in 14 key projects was 321 million yuan, higher than the average level of the region's capital construction investment.

### 'Tibetology' Studies See 'Rapid Development'

OW2409093793 Beijing XINHUA in English 0727  
GMT 24 Sep 93

[Text] Lhasa, September 24 (XINHUA)—China's policy of reform and opening to the outside world has brought the studies of Tibetology onto a new period of rapid development.

Currently, the number of institutions for the research of Tibetology exceeds 50. Some 2,000 people are engaged in the teaching, compilation, translation and research in Tibetology. Among them are about 200 senior researchers of the Tibetan nationality.

The scope of Tibet studies has been expanded from religion, history, customs and institutions to a comprehensive study including politics, economics, relationships between nationalities and foreign affairs.

More than 300 books in Tibetan script have been published. Included are the *Tibetan-Han Language Dictionary*, *An Outline History of Tibet*, *A General Survey of the Tibet Autonomous Region*.

Meanwhile, these institutions have also published nearly 200 Chinese books on Tibetology, covering the materials and data from the Sui dynasty (581-618 A.D.) to the Qing dynasty (1644-1911). International academic exchange in Tibetology have also been expanded. A number of books in foreign languages have been translated into the Han and Tibetan languages.

### Yunnan Secretary Addresses Discipline Meeting

HK2709035293 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 22 Sep 93

[Text] When addressing the provincial discipline inspection and supervision work conference held on 21 September, provincial Secretary Pu Chaozhu emphasized the need to consistently implement the central guidelines on combating corruption in a comprehensive and correct manner, grasp the focus, make clear distinctions, and ensure the healthy development of the anticorruption campaign.

After analyzing the current situation of the economy and the anticorruption campaign, Pu Chaozhu pointed out: Combating corruption is a necessary requirement for implementing the party's basic line comprehensively as well as an important safeguard for concentrating efforts on boosting the economy. Therefore, throughout the anticorruption campaign, we must consistently take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide, comprehensively implement the spirit of the 14th national party congress, take economic construction as the focus of our work, emancipate the mind, seek truth from facts, adhere to the principle of guaranteeing reform and opening up and promoting the building of the socialist market economic system, take Yunnan's reality into consideration, and implement the central guideline on combating corruption in an active, comprehensive, and correct way.

In terms of guiding ideology, cadres at all levels must understand that the anticorruption campaign is an important task for strengthening party and government building and ensure the smooth progress of reform, opening up, and economic construction. The focus of combating corruption is to investigate and handle corrupt practices and unhealthy tendencies in trades and professions that are found among party and government leaders and personnel from government organs, the judicial sector, the administrative and law-enforcing sectors, and the economic management sector. These are primarily manifested as embezzlement and bribe-taking, seeking personal gain through abuse of power, bartering power for money, practicing extortion and blackmail, arbitrarily imposing fees and financial penalties, and refusing to do anything for their subordinates if they do not get benefits. Make sure that the scope of the anticorruption campaign is not expanded at will, ensure that rectification is carried out for that which should be rectified, and avoid arbitrarily trying to rectify something that should not be rectified. It is necessary to make some clear distinctions. Cadres of party and government organs and those with professional knowledge and management experience who go to the forefront of production and assist in the effort to end poverty and attain prosperity in rural areas should not be considered as doing business. In the course of institutional reform, the socialization of logistic service by party and government organs should not be considered activity of doing business or running enterprises. It is necessary to firmly implement the five principles for the self-discipline of leading cadres at and above the county and provincial section level to ensure the sound development of the anticorruption campaign.

Pu Chaozhu pointed out: The anticorruption campaign is a long-term commitment and should be carried out with consistent and unremitting efforts and in a comprehensive way. In the coming winter and spring seasons, the following three practical things should be done well, and achievements should be made in phases.

First, the leading organs and leading cadres should take the lead in promoting honesty and self-discipline and should set a good example. On the basis of mobilizing mass supervision and extensively listening to mass opinion, the regular democratic activities within the party should be carried out properly, and self-examination and self-criticism should be conducted effectively.

Second, it is necessary to concentrate energy on a several big and important cases.

Third, it is necessary to keep a firm hold of outstanding problems and put an end to a number of unhealthy tendencies about which the masses are very concerned and most unhappy. Visible results of such efforts should come out before the end of this year.

Finally, Pu Chaozhu emphasized: The anticorruption campaign must be controlled by both party and government authorities under the unified leadership of party committees. All departments should take part in the effort and

make it a long-term commitment. It is necessary to introduce a responsibility system whereby each level of authorities supervise those at the lower level. Discipline inspection and supervision departments, procuratorates, and courts should give full play to their functions and work in coordination with one another. Party committees and governments should give substantial support to their work and provide them with good working conditions.

Lang Dazhong, member of the provincial CPC committee standing committee and secretary of the provincial discipline inspection commission, presided over the meeting. Other provincial party, government, and military leaders, including He Zhiqiang, Yin Jun, Zhao Shumin, Guo Changyou, Zhang Baosan, and Wang Guangjian, as well as the persons in charge of such relevant departments as the provincial higher people's court and provincial procuratorate, attended the meeting.

### North Region

#### Beijing 'Textile Street' Under Construction

SK2309131693 Beijing BEIJING RIBAO in Chinese  
9 Sep 93 p 1

[By reporter Guo Qili (6753 2722 2698): "Beijing Textile Street Is Under Construction"]

[Text] The Beijing-Hong Kong Materials Industrial Development Corporation of Beijing, one of the largest joint investment project signed by the Beijing business invitation group in Hong Kong, was established on 8 September. Simultaneously, the foundation stone for the "urban square" whose construction is undertaken by the corporation was laid. This indicates that the textile street of the municipality is being built.

Leaders Chen Xitong, Sun Qimeng, and Li Qiyang attended the inaugural meeting.

The textile street, whose construction has been positively advocated and vigorously supported by the municipal party committee and the municipal government, mainly occupies a golden area starting from Guanghai Road to Miaowaxiao Village and Shilibao. There are nine state-owned large and medium-sized enterprises engaged in textile, dyeing, and knitting production, and 10 institutions in the street. In line with the development strategy of "specializing in major industries and rejuvenating sideline occupation" and by inviting businessmen and bringing in capital, the municipal Textile Industrial Corporation cooperates with the friends and entrepreneurs at home and abroad to develop and build the new textile city where science, industry, and trade are made a coordinated process and a commercial center in service of both domestic and foreign businessmen. The Beijing-Hong Kong Material Industrial Development Corporation of Beijing, as a key corporation on the Beijing Textile Street, is operated with the investment jointly provided by the Beijing printing and dyeing mill and Hong Kong Baoxin Clothing Industrial Corporation. The total investment is \$75 million. This is the largest joint venture on the municipal textile industrial front as well as the largest project signed

by the Beijing municipal business invitation group in Hong Kong last year. In addition to cooperatively making high-quality and high-class printed and dyed products, the corporation will jointly develop new products. Simultaneously, an "urban square" with commercial centers, guesthouses, catering centers, entertainment centers, and apartments will cooperatively be developed.

In his speech, Lu Yucheng, vice mayor of the municipality, urged that we speed up the construction of the textile street to first-class speed and to first-class quality and strive to have the textile street open for business as soon as possible. Only by so doing will we actually complete the items signed in Hong Kong.

Present at the inaugural meeting were leading Comrades Rui Xingwen, Wu Wenyang, Zhang Jianmin, Wang Daming, Ouyang Wenan, Duan Bingren, and Feng Mingwei. The Hong Kong Investment and Inspection Group composed of more than 30 personages of Hong Kong banking and enterprise circles also attended this meeting.

### Hebei Reports Semiannual Economic Figures

SK2309131193 Shijiazhuang HEBEI RIBAO in  
Chinese 4 Sep 93 p 1

[Text] On the afternoon of 2 September, while reporting on the implementation of the province's economic and social development plan in the first half of this year to the third Standing Committee meeting of the eighth provincial people's congress, Gong Huanwen, chairman of the provincial planning economic commission, pointed out: When viewed from the economic operation situation from January to June, the province's national economy continued its sustained and rapid development trend based on the rapid operation last year. A preliminary estimation shows that the gross domestic product of the province increased by 14.6 percent over the corresponding period last year, the most rapid year since the commencement of reform and opening up. Meanwhile, most targets fulfilled or overfulfilled the plan. Generally viewing, the economic situation was good.

A relatively good harvest was reaped in summer grain production, and the development of township and town enterprises was accelerated further. This year, although the province was hit by catastrophic droughts, it still reaped a bumper wheat harvest of 9.051 million tonnes. In the first half of this year, township and town enterprises generated 79.145 billion yuan in total output value, up by 79.8 percent over the same period last year; generated 9.22 billion yuan in profits, up by 69 percent; and handed over 1.569 billion yuan in taxes, up by 51.6 percent.

Industrial production continued to increase rapidly, and economic efficiency continued to improve. In the first half of this year, the province's total industrial output value was 122.757 billion yuan (present price), an increase of 39.95 percent over the corresponding period last year if calculated in terms of comparable standards. If calculated in terms of the national standard value, the composite index of economic efficiency was 105.69 percent, up by 27.32 percentage points over the same period last year, up

by 19.17 percentage points over the plan, or up by 6.38 percentage points over the average national level. Except of the sales rate of industrial products that was slightly lower than the plan, five out of the six economic targets were higher than the plan, and the absolute value was better than the national average level.

The investment in fixed assets kept on the trend of rapid increase, and investment structure was readjusted. In the first half of this year, the completed investment in fixed assets amounted to 13.254 billion yuan, up by 29.8 percent over the corresponding period last year, or fulfilling 34.9 percent of the 1993 annual plan, thus continuously maintaining the rapid growth. Investment structure continued to favor the raw materials industry and the tertiary industry. Of this, the completed investment in traffic, transportation, and postal and telecommunications service amounted to 524 million yuan, up by 1.49 times.

Foreign export trade was gradually picking up, and new headway was made in the utilization of foreign funds. In the first half of this year, the total value generated by foreign export trade departments was \$958 million, up by 22.97 percent over the corresponding period last year, or fulfilling 51.23 percent of the 1993 annual plan, thereby realizing the goal of fulfilling more than one-half of the annual plan by mid-year. In the first half of this year, the province actually utilized \$189 million in foreign funds, an increase of 150 percent over the corresponding period last year, or fulfilling the 1993 annual plan by 63 percent.

Implementation of revenue budget was relatively good, and that of expenditure was normal basically. In the first half of this year, the province's revenues were 5.232 billion yuan, an increase of 527 million yuan, or 11.2 percent, over the same period last year. Expenditures were 4.031 billion yuan, up by 20 percent.

There was an ample supply on markets, and sales gradually became brisk. This year, the total supply and demand of consumer goods on markets kept up the pattern of supply exceeding demand. Supply of goods was ample, and urban and rural markets were brisk. In the first half of this year, the total amount of retail sales of commodities in the province was 26.542 billion yuan, up by 11.2 percent over the corresponding period last year.

Social undertakings, such as science, technology, and education, developed further. The 317 provincial-level scientific research tasks and the project of spreading 100 scientific and technological research achievements arranged for this year were all transmitted to lower levels. This year, ordinary universities and colleges are expected to enroll 34,000 students, an increase of 7,000 students, or 23 percent, over last year. This mainly results from the expanded enrollment of self-financed students. Secondary specialized schools are expected to enroll 70,000 students, an increase of more than 50 percent over last year. In addition, a new breakthrough was made in vocational and technical education at or above the county level.

Gong Huanwen added: Along with the rapid increase in the economy, some contradictions and problems, that



brook no negligence, also emerged in economic life. For instance, financial order was confused, the contradictions between fund supply and demand were conspicuous, peasants' input in agriculture decreased, the momentum for agricultural development was insufficient, the restriction from the "bottlenecks" was intensified, readjustment of industrial structure was slow, increase margin of commodity prices was relatively big, and inflation pressure was aggravated. Recently, the province has resolutely implemented the central authorities' policy decision on strengthening macroeconomic regulation and control. Results have already been achieved in some aspects, but some contradictions remain very conspicuous. We must pay high attention to them. Then, he also reported on the work that should be unfailingly grasped in the last several months of this year.

### **Inner Mongolia Holds Conference on Ideology**

SK2309140893 Hohhot NEIMENGGU RIBAO in  
*Chinese 10 Sep 93 p 1*

[By reporter Yang Jinhua (2799 6855 5363): "Step Up Efforts in Improving Leading Bodies of Higher Educational Institutes; Strengthen Ideological and Political Work"]

[Text] The six-day regional conference on the party building and work of higher educational institutes recently concluded in Hohhot city. It studied and discussed ways to promote the reform and development of the region's higher educational institutes in line with the guidelines of the national conference on the party building of higher educational institutes and the national conference on higher education.

Comrade Wang Zhan, deputy secretary of the autonomous regional party committee, gave an important speech at the conference. He spoke on two opinions on the party building and ideological and political work of higher educational institutes. First, the key to strengthening the party building of higher educational institutes lies in building their leading bodies still better. He pointed out: Only with a good leading body can a higher educational institute unite and lead its teaching and administrative staff, correctly implement the party's basic line and education principles, and successfully build itself into a socialist institute with Chinese characteristics. Only when the leading bodies of higher educational institutes are truly built into leadership collectives that are politically firm, brave in reform, diligent and honest in performing official duties, united and cooperative, and realistic and highly efficient can the institutes make their party building conform to the needs in the development of the situation; conscientiously guarantee their ideological and political work; continuously improve their teaching, scientific research, and education; and have a very good chance of success in their reform and development. Summarizing the basic experiences in improving the leading bodies of higher educational institutes, Wang Zhan urged leaders of the various institutes to "study hard, strengthen unity, be honest and self-disciplined, and make earnest efforts to do practical work."

Second, higher educational institutes should put more efforts into solving the "notorious problems" that their teachers and students are universally concerned about when carrying out ideological and political work. Teachers and students of higher educational institutes actively support the line, principles, and policies defined at the 14th national party congress and are basically satisfied with China's political and economic situation and achievements won since reform and opening up started. However, due to numerous reasons, some teachers and students of higher educational institutes still have vague and even erroneous ideas about some important political, theoretical, and social issues. In particular, they still have some confused ideas about the outlook on politics, life, and value. In view of such a situation, leading comrades of the higher education front and party and government organizations should remain clear-headed and pay great attention to it. They should conduct in-depth and meticulous ideological and political work to address the "notorious problems" that teachers and students are universally concerned about, arm the minds of all teachers and students with the theory of building socialism with Chinese characteristics, and unify their thinking in line with the basic line consisting of "one central task and two basic points" and with the guidelines of the 14th national party congress. Concerning unity in thinking, we should bear in mind the practice of China and Inner Mongolia in reform, opening up, economic construction, and higher educational institutes' reform and development to comprehensively and correctly understand and master the basic content and essence of the theory of building socialism with Chinese characteristics through such activities as teaching at classrooms, regular activity of organization, visits and observation, and social practice. We should also often conduct the education full of the flavor of this era among teaching and administrative staff and young students, teaching them with patriotism, collectivism, and socialism, so as to influence their thinking.

Wu Liji, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional government, also attended the conference to hold discussions with the party secretaries and presidents of 12 higher educational institutes. Zhao Zhihong, vice chairman of the autonomous regional government, also spoke at the conference.

### **Inner Mongolia Reports Economic Statistics**

SK2309131493 Hohhot NEIMENGGU RIBAO in  
*Chinese 8 Sep 93 p 2*

[By reporter Gao Yuan (7559 6678) and correspondent Han Tao (7281 3447): "Inner Mongolia Accelerates Increase in Total Supply and Total Demand and Readjusts the Industrial Structure"]

[Text] Since the beginning of this year, the region has maintained a sustained and stable development of the national economy and social undertakings. Entrusted by the regional government, Liu Xiuqing, vice chairman of the regional planning committee, expounded this in his



report to the third standing committee meeting of the eighth regional people's congress on the morning of 3 September.

The report states: In the first half of this year, the region's gross national product reached 15.79 billion yuan, an increase of 7.6 percent over the same period of last year if calculated in terms of the comparable items. Despite various kinds of natural disasters, the region is expected to reap better grain harvests and to reap bumper livestock harvests for nine consecutive years since 1985. The total output value of town and township enterprises reached 7.24 billion yuan, an increase of 117 percent over the same period of last year. There were brisk buying and selling. Increasingly more foreign capital was used. The construction of key projects was strengthened. Viewing the general situation, we know that the total supply and the total demand increased, the economic structure was readjusted, and the economic results increased steadily.

The report states: Since last winter and last spring, the regional party committee and the regional government have conscientiously implemented the guidelines of the central decision on further strengthening agriculture and worked out and adopted a series of measures to ensure the development of agricultural and livestock production. According to the preliminary statistics made by the agricultural department, the crop sown areas reached 72 million mu, basically approaching the 1992 level. The total grain output was expected to reach about 9 billion kg. By the end of June, the number of animals in stock reached 55.777 million head, an increase of 197,000 head over the same period of last year. The regional party committee and the regional government firmly attended to the implementation of the enterprise law and the regulations on changing the enterprise managerial mechanisms, positively carried out the shareholding system, and made efforts to develop the markets for production factors. Simultaneously, eight enterprises (groups), including the Baotou Iron and Steel Complex and the Baotou Aluminum Plant, begin to carry out the enterprise management method on a trial basis and on the premise of not being managed by any responsible departments. By implementing the method, these key enterprises (groups) have been promoted to enter markets at a faster speed. Along with the ceaseless development of the socialist market economy, the prices of commodities have basically been decontrolled, and the mechanism where prices are decided by markets is taking shape. In the first half of this year, both purchasing and marketing were brisk. The total volume of retail sales of commodities was reduced by 0.78 percent in February and rose by 27.91 percent in June. The region's total volume of retail sales of commodities reached 9.654 billion yuan, an increase of 12.14 percent over the same period of last year. The region further expanded the scale of using foreign capital and signed 242 items on using foreign capital. The amounts of money involved in the contracts increased by 62 percent over the same period of last year. The region also signed 61 contracts on economic and technological cooperation with \$76.23 million involved, an increase of 55.7 percent over the previous year. As of the end of June, the region

approved to set up 241 foreign-funded enterprises of three types. The report also states: In the first half of this year, the investment in fixed assets reached 4.848 billion yuan, showing an increase of 28.97 percent over the same period of last year and fulfilling the annual plan by 35.4 percent. The coal, power, metallurgical, building materials, light textile, communications, postal and telecommunications, distribution, real estate, and scientific, educational, cultural, and public health trades increased their investment in varying degrees. This year, the region basically ensures the supply of the funds for such capital construction projects as the Hetao irrigated area; the Taihekou key water control project; the Hongshan reservoir reinforcement project; the Wanjiagou reservoir project; the second-phase north, northeast, and northwest China shelter belt project; the Jining-Tongliao railway line project; Ulan Hot civil airport; Tongliao civil airport; Fengzhen powerplant and its power supply project; Daqi powerplant; Hualiuhe powerplant; Bohaiwan powerplant; Neimenggu chemical fertilizer plant; the Baotou No. 2 chemical industrial plant; and the Jilantai soda plant. The Jining-Tongliao railway line will basically be completed within the year. Hualiuhe powerplant, the Baotou No. 2 chemical industrial plant, and the Jilantai soda plant will soon go into operation. Ulan Hot and Tongliao civil airports will soon be made available to the users.

#### Tianjin Mayor Discusses Coastal Development

SK2309140993 Tianjin TIANJIN RIBAO in Chinese 13 Sep 93 p 1

[Text] Mayor Zhang Lichang recently held a discussion with pertinent personnel of the development zone and the bonded zone on ways to further accelerate the development of coastal areas. Zhang Lichang pointed out: To accelerate its economic development and push the economy up to a new stage, Tianjin not only should invigorate its old enterprises and fully tap the potential of the existing enterprises, but it should also make the best of its advantages, exert great efforts to cultivate new growing points, and use the increased part to accelerate its economic development. This is a strategic measure and is also where Tianjin's hope is placed. Located in coastal areas and close to the harbor, the airport, and expressways, the development zone and the bonded zone have large wasteland that can be exploited and enjoy many favorable conditions and various preferential policies. We should fully use these forward positions opened to the outside world to attract the large enterprises and consortia in the world to develop large projects, expand the scale, and improve the level to seek faster development.

Zhang Lichang listened attentively to reports on the economic development of the two zones and studied the strategic plans for accelerating their development in the future. The two zones have created a momentum in development since the beginning of this year. From January to August, the development zone approved establishment of 686 foreign-funded enterprises of the three types, in which the agreed amount of investment totaled \$997 million. Its industrial output value, profits and taxes, exports, and other major economic figures all increased by

more than 70 percent as compared with the same period last year. Ten of the 18 figures evaluated by the state ranked first in the development zones of the country. In the first eight months of this year, the bonded zone approved establishment of 1,197 enterprises involving an investment of \$785 million, invested 176 million yuan in infrastructural construction, and basically completed the leveling of ground and five components of the infrastructure. Zhang Lichang fully affirmed the fruitful work and achievements of the two zones.

Zhang Lichang pointed out: Judging from its long-term economic development, Tianjin should, on the one hand, pay attention to the rejuvenation of old enterprises and, on the other, exert great efforts to cultivate new growing points of the economy. This is the road it must take, and it should resolve this issue from the strategic perspective. As far as location is concerned, coastal areas are the focus in our endeavor to cultivate new growing points of the economy, and the development zone and the bonded zone are the leaders in the development of coastal areas. The development speed of coastal areas, especially the development zone and the bonded zone, has a direct influence on the development speed of new areas. Leaders of the two zones should fully understand their heavy responsibility, enhance their sense of urgency, emancipate their minds, conduct explorations bravely, and strive for a better development based on the current conditions. The municipality should provide favorable conditions, coordinated work, and service to the development of the two zones. In the future, new projects should be arranged in these zones as many as possible, and old enterprises in the city may also be moved there for renovation. Pertinent departments should draw up an overall plan as soon as possible for the overall development of coastal areas and study and formulate programs to speed up its implementation so that coastal areas will become new areas of Tianjin's economic development.

Zhang Lichang urged: The development zone and the bonded zone should make the best use of their existing favorable conditions and apply all policies fully and successfully to accelerate development. While a fairly large scale has been established for the secondary industry, they should greatly develop the tertiary industry. They should intensify construction of infrastructural facilities and work out reasonable plans and arrangements and new designs for construction. After several years of hard work, they should strive to establish a pattern where the secondary and the tertiary industries develop in a coordinated manner and infrastructural facilities and functions are complete. We should develop the overall advantages of coastal areas to better serve the reform, opening up, and economic construction of the entire municipality.

Zhang Guanwen, secretary general of the municipal government, as well as responsible persons of pertinent departments, such as the municipal economic, construction, and foreign economic relations and trade commissions, attended the discussion.

### **Tianjin Sets Rules on Social Security System**

*OW2509032393 Beijing XINHUA in English 0315 GMT 25 Sep 93*

[Text] Tianjin, September 25 (XINHUA)—Tianjin municipality, north China, is striving to further improve its social security systems to level the playing field for competition between enterprises.

Since 1987, the Tianjin municipal government has enacted and enforced a number of rules and regulations on social security for urban workers, including retirement pensions and unemployment insurance.

In August this year it reformed the pension system for workers in the state-owned enterprises, to spread the burden among the whole of society.

As an old industrial city, Tianjin has about 647,000 retired workers, equivalent to 22 percent of those in service. The proportion is higher in some very old enterprises. This makes it difficult for them to compete with more recent ones.

Now, around 1.81 million workers and 512,000 retired workers from 4,000 enterprises have joined the city's pension system. The annual revenue of the pension fund is about 830 million yuan, and the payments come to 790 million yuan.

To streamline the pension system, the city has established a special social security company.

Tianjin decided in 1992 that more jobless people would be admitted to the social security scheme. Now unemployment insurance is available to two million workers.

## **Northeast Region**

### **Activities of Heilongjiang Secretary Reported**

#### **Confers With NPC Inspection Team**

*SK2609014593 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 24 Sep 93*

[Text] After concluding its five-day inspection of the province, the National People's Congress Standing Committee team inspecting comprehensive management of social order exchanged opinions with the provincial People's Congress Standing Committee on the morning of 24 September. The inspection team fully affirmed the province's achievements in the comprehensive management of social order and offered some ideas and suggestions for the problems existing in the work.

Sun Weiben, Xie Yong, and Du Xianzhong attended the meeting to exchange opinions with the team members.

During its stay in the province, the team listened to the reports by the provincial People's Congress Standing Committee, the provincial Higher People's Court, the provincial people's procuratorate, the provincial Public Security Department, and the provincial Judicial Department.

Meanwhile, the team had discussions with people's deputies, workers, masses, cadres at various levels; judicial cadres and policemen, and went to Harbin and Suihua to inspect work on the spot.

The inspection team maintained that the province's comprehensive management of social order has been conducted in a solid manner and has yielded marked results. Leaders of all localities have paid high attention to and truly and wholeheartedly attended to the work; have formulated a series of rules, regulations, and policies; and have implemented the responsibility system that the person in charge of the comprehensive management of social order should assume responsibility for the work. As a result, the province's incidence of criminal cases has dropped in a steady manner, and the masses' sense of security has been enhanced.

The inspection team pointed out: The province's general situation in social order is basically stable. The number of major and appalling cases has increased, however, and the base figure of criminal cases waiting for solution has increased. Thus, we should not be optimistic about this work. We should closely watch for the new contradictions and new problems emerging under the new situation and solve them in an effective manner in order to eliminate them in both root cause and symptoms.

#### Views People-Run University

SK2609053193 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 25 Sep 93

[Text] (Dongfang) University, the first full-time ordinary university run by the local people in the province, greeted its first group of students on 25 September. Provincial leaders Sun Weiben, Yang Guanghong, Zhu Dianming, Huang Chao, and Dai Moan attended the opening ceremony.

The establishment of (Dongfang) University is an effective exploration forum for the reform of the province's system concerning institutions of higher learning. This university carries out the system in which the university president assumes full responsibility under the leadership of the Board of Trustees. Teachers and managerial cadres are appointed on a contract basis. Most teachers are professors and specialists with specialized knowledge and rich teaching experiences. The university has offered curriculum and organized teaching in line with the demand and change in latent markets. The first group of freshmen, more than 400, study modernized accounting, world commercial affairs, architecture, decoration, designing, and computer applications.

In his speech, Sun Weiben, secretary of the provincial party committee, expressed hope that (Dongfang) University would comprehensively implement the party's principle on education, adhere to the socialist orientation of teaching, attach importance to basic knowledge and the training of specialized skills, and strengthen the education of ideology and moral character in order to develop useful talents for economic construction and for the development of socialism.

#### Heilongjiang Sees 'Breakthrough' in Foreign Funds Use

SK2609022093 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 24 Sep 93

[Text] Since the beginning of this year, the province has made a breakthrough in absorbing and utilizing foreign funds. As of August, the province approved 1,161 projects that would use foreign funds and contracts based on foreign funds amounting to \$680 million, registering an increase of 190 percent and 220 percent respectively over those in the corresponding period last year, and greatly surpassing the total amount of foreign funds utilized in 1992 and 1991.

Since the beginning of this year, various professions and trades in the province have increased the dynamics of reform and effected a marked improvement in the investment environment. Thus, foreign traders have been extremely enthusiastic in investing in the province. Foreign traders have mostly invested in productive projects. The scale of investment has been expanded continuously; the number of fund-intensive projects, technology-intensive projects, and large and medium-sized projects has increased; the sphere of foreign investment has been expanded further; the investment orientation of foreign funds has become reasonable; and the major targets of investment have been information, consulting, banking, and commercial trades. Most of the investors have come from Hong Kong, Macao, Taiwan, Japan, the United States, and the ROK.

#### Liaoning's Quan Shuren on Anticorruption Work

SK2609114693 Shenyang LIAONING RIBAO in Chinese 11 Sep 93 p 1

[By reporter Sun Desheng (1327 1795 3932): "The Liaoning Provincial Anticorruption Struggle Work Conference Ends"]

[Text] The provincial work conference on waging the anticorruption struggle ended on 10 September. Quan Shuren, secretary of the provincial party committee and chairman of the provincial people's congress standing committee, made a speech on conscientiously studying the guidelines of Comrade Jiang Zemin's important speech and the second plenary session of the Central Discipline Inspection Commission, on the unification of the party's thinking on waging the anticorruption struggle, on the participation of party and government leaders in the struggle, on strengthening leadership, on carefully making plans, and on ensuring orderly and sound progress in the struggle.

Quan Shuren said: The key to making achievements in the current stage of the anticorruption struggle hinges on the fact that the party as a whole, particularly principal leading cadres, should seek unity of thinking. First, we should unify the thinking about the grim situation of the anticorruption struggle and enhance the sense of urgency of the anticorruption struggle. Some people turn a blind eye and a deaf ear to the negative and corrosive phenomena and



refuse to listen to the people's strong complaints. They themselves feel good and are seriously divorced from the masses. Some comrades have the incorrect idea that some negative and corrosive phenomena are bound to emerge in the course of conducting reform and opening to the outside world. Some even maintain that some negative and corrosive phenomena are conducive to promoting the progress of reform and opening up and that the corrosive problems will naturally disappear when the economy is well developed. All this is extremely dangerous. Second, we should have unified thinking that we will certainly make achievements in punishing the corrupt and foster the confidence to wage the anticorruption struggle.

Now, a considerably large number of people, including some of our party-member cadres, do not fully understand the anticorruption struggle. They maintain that the problems have not been solved but become more serious despite the efforts to launch the campaign of eliminating unhealthy trends, consolidating discipline, and punishing the corrupt on several occasions in the past. We lose our confidence, although the central authorities have made arrangements. We must notice that, after all, only a small number of people are involved in the corrosive phenomena and they cannot represent the main stream of the party. Our party has an accurate theoretical guidance, an accurate line, and the powerful party Central Committee. Most of the corrosive phenomena can be resisted completely. Third, we should unify the understanding about the importance of the principle of reform and opening up with one hand and the crackdown of criminal offenders with the other and resolutely overcome the practice of one aspect being firmly attended and the other being ignored. Some of our leading cadres do not completely understand the principle of grasping with two hands and often neglect the improvement of party style and administrative honesty in making work arrangements. Sometimes they firmly attend to it, but sometimes they are negligent. Practice shows that the failure to eliminate the corrupt phenomena will prevent and even damage the development of the economy.

Quan Shuren said: This time, the central authorities have made clear the specific requirements for the guiding ideology, principles, policies, targets, and tasks of the anticorruption struggle. Now, the key is to implement these requirements. What we should stress here is that by the end of this year, we should ensure to make achievements in fulfilling the three tasks set forth by the central authorities. The central authorities have set forth five regulations on leading cadres' administrative honesty and self-discipline. The party and government leading cadres at various levels should resolutely implement the regulations. The five leading bodies of the province should take the lead in implementing the five regulations. Simultaneously, the principal leading cadres of the provincial-level departments, commissions, offices, and bureaus, cities, and counties should be the first to implement the regulations and take the lead in making self-examination and self-correction. We should make real results in self-examination and self-correction and avoid practicing formalism and perfunctorily solving problems.

After this conference, the province should, as soon as possible, immediately and openly investigate and handle appropriate cases. All cities and counties should conscientiously attend to this work and handle, as soon as possible, the appropriate cases to have the masses experience the party and the government's determination to punish the corrupt. Quan Shuren stressed that to ensure the smooth progress of the anticorruption struggle, we should pay attention to grasping the following few principles. First, we should wage the anticorruption struggle closely in line with the target of promoting economic development. We must never divorce ourselves from the central link of economic construction under any conditions or circumstances. We should wage the anticorruption struggle to promote the economic development, make the struggle better serve and be submitted to the central link of economic construction, and eliminate various kinds of obstacles for reform, opening up, and economic construction. Second, we should grasp the priorities of the anticorruption struggle. According to the requirements of the central authorities, we should put the focus of the struggle on the party and government leading organs, judicial departments, administrative and law enforcement departments, and economic management departments. This principle must be grasped. The province should first grasp the work of the provincial-level organs. Cities should first grasp the work of the city-level organs. Particularly, we should first solve the problems relating to the administrative honesty and self-discipline of party and government leading cadres and the problems of party and government organs engaging in trade and running enterprises. Third, we should persist in the principle of seeking the truth from facts and strictly guarantee the implementation of policies. The tasks for the anticorruption struggle is heavy, the demands for the struggle are higher, and the situation is comparatively complicated. So, we should pay attention to grasping policies and accurately handle and distinguish between the two different types of contradictions. Those who are absolutely proved as corrosive elements should resolutely be punished and must not be tolerated. It is necessary to correct the problems due to the failure to strictly enforce law and discipline. We should handle affairs strictly according to laws and pay attention to drawing a clear line of demarcation. We must not simply make conclusions and hurriedly handle the problems that cannot be defined at a given time. We should make an assessment after seeing the results of the practice.

Quan Shuren concluded: To ensure a sound and orderly progress of the struggle, the party committees at various levels should strengthen leadership and carefully make organization. Particularly, the top party and government leaders should personally attend to it. The party committees should realistically put the anticorruption struggle in the important work agenda, make arrangements as soon as possible to implement the central requirements, promptly examine the situation in the implementation of the central requirements, and study and work out countermeasures for solving the existing problems. The party and government leaders should personally hear the reports on the



major cases that can produce great obstacles and personally talk with the persons concerned if necessary. We should set up and perfect the system of responsibility for improvement of party style and administrative honesty, ensure to attend to and promote the work of each lower level, and carry out the method of leaders assuming responsibility for the work at the same level. We should define responsibility and duties and put the work in place. The party and government top leaders of the localities and departments should comprehensively assume responsibility for the improvement of party style and administrative honesty. We should further strengthen the leadership over the discipline inspection and supervisory work. The discipline inspection and supervisory departments, as the major functional organizations for the anticorruption struggle, have done a lot of work and made great achievements. They will assume greater responsibility in the struggle against corruption and be confronted with heavier tasks. The party committees and governments at various levels should realistically support and guide them to exercise their functions according to the party constitution and the state law. We should regularly listen to their work reports, study and solve the major discipline inspection and supervisory work problems, help eliminate obstacles, and create various favorable conditions for their work.

#### **Shenyang Court Announces Execution of 8 Criminals**

*SK2609012493 Shenyang LIAONING RIBAO in Chinese 5 Sep 93 p 1*

[Text] On 3 and 4 September, the Shenyang city intermediate people's court held open trials in Dadong and Huanggu districts in Shenyang city to announce the carrying out of the death penalty for Wang Xinghua, Wang Shihong, and six other criminals guilty of the most heinous crimes

All eight criminals committed the crime of intentional murder. Their means of murder were extremely cruel and the consequences very serious. Criminal Zou Jiang trapped a 12-year-old neighborhood girl in his home and then raped her, killed her, and cut up her dead body to hide the

evidence. His criminal means were so cruel, they made us boiling mad. Criminal Wang Xinghua went so far as to attack four innocent persons, leaving one dead and three severely wounded, to retaliate against his employer after an economic dispute. Criminal Mao Yongming, 22, attacked two night watchmen, leaving one dead and the other severely injured, in an attempt to steal cash from his own unit.

These eight criminals were all shot to death on 3 and 4 September.

#### **Liaoning Begins Construction of Oil Pipeline**

*SK2709023893 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 25 Sep 93*

[Text] On 24 September, the refined oil pipeline laying project of Fushun petrochemical industrial company, vertically spanning Liaoning Province, began construction in Bayuquan of Yingkou. This project is a key petrochemical industrial project of the province in the Eighth Five-Year Plan period. The total investment is 390 million yuan. The project spans five cities, namely Fushun, Shenyang, Liaoyang, Anshan, and Yingkou. The project is expected to go into operation in the first half of 1995.

Upon completion, the project will annually export 240 million tons of diesel oil and gasoline; basically help northeast China, particularly Liaoning, eliminate the strain on railway transportation; and be able to help neighboring cities and counties eliminate the shortage of oil products.

#### **Dongbei Korean Nationality University Under Construction**

*SK2709024093 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 25 Sep 93*

[Summary] The foundation stone laying ceremony for Dongbei Korean Nationality University was held in (Gao-hua) Township of Yuhong District of Liaoning's Shenyang city on the morning of 25 September. This is the province's first university for minority nationalities run by foreign businessmen. The university is expected to be completed and formally opened in September 1994.

## Leaders on UN Refusal To Consider Membership

### Chien Fu Appeals to Beijing

OW2309153193 Taipei CNA in English 1454 GMT  
23 Sep 93

[By Lillian Lin]

[Text] Taipei, Sept. 23 (CNA)—Foreign Minister Chien Fu said Thursday [23 September] that the Republic of China [ROC] would continue to seek international support for its United Nations membership bid.

Referring to Mainland China's boycott of a resolution to set up a research committee to study the ROC membership bid, Minister Chien expressed appreciation to the 12 nations endorsing the resolution, though it failed to win enough support for a listing on the agenda of the 48th UN General Assembly.

Meanwhile, Chien called on Beijing to accept the fact that China is separated and under two jurisdictions. He said that only through mutual respect and equal treatment can cross-strait relations be further advanced and the ultimate goal of a unified China be achieved.

### Li Teng-hui Pledges Efforts

OW2309152593 Taipei CNA in English 1458 GMT  
23 Sep 93

[By Bear Li]

[Text] Taipei, Sept. 23 (CNA)—President Li Teng-hui Thursday [23 September] said the Republic of China [ROC] would have to redouble its efforts to be readmitted to the United Nations.

He was responding to the UN Steering Committee's decision Wednesday not to include the ROC's UN membership issue on the agenda of the UN General Assembly as proposed by seven Central American countries.

Li said the result doesn't necessarily mean the ROC's UN bid has ended in failure.

He said it was the common wish of the populace to re-join the world body. "We realize it's a very difficult goal to reach and we will pool together the strength of all the people to continue striving for its eventual realization," he said.

He stressed that China remains divided and the ROC on Taiwan is a political entity, and that Beijing's treatment of Taiwan as a local government is unacceptable. He said Beijing should understand that it will not succeed in solving the cross-strait problem by resorting to the use of force.

Li said Beijing's white paper on Taiwan, which was released recently, is not expected to have a major negative impact on the development of Taiwan-mainland relations.

He also urged Beijing to establish a society in which the free will of the people is fully respected.

## Taipei To Continue Lobbying

OW2309152093 Taipei CNA in English 1503 GMT  
23 Sep 93

[By Bill Twang]

[Text] Washington, Sept. 22 (CNA)—A Republic of China [ROC] official said Wednesday [22 September] that it came as no surprise that a proposal to study Taipei's participation in the world body was rejected by the UN General Committee.

Jeanne Li, vice chairman of the National Committee for United Nations Membership of the Republic of China on Taiwan and deputy secretary-general of the ruling Kuomintang, said after her arrival here from New York that Taipei knows full well that UN membership is a medium- or long-term goal, and that immediate success isn't possible given the fact that only 25 UN members maintain diplomatic ties with Taipei against 157 recognizing Beijing.

She said, however, that Taipei would continue to make efforts to participate in international activities and cooperate with other countries in order to make its mark as an indispensable member of the world community.

Li is here with other national committee members to present Taipei's case for UN participation to US officials and members of congress.

Legislator Stella W. Chen of the Democratic Progressive Party, a member of the delegation, also expressed regret over the rejection of the proposal made by seven Central American countries for the United Nations to set up an ad hoc committee to study ways in which Taipei can participate in the international organization.

Chen said Taipei should have applied directly to the United Nations for membership instead of going through the seven Central American countries.

## Control Yuan Censures Ministry on F-16 Purchase

OW2609133393 Taipei Voice of Free China in English  
0200 GMT 25 Sep 93

[From the "News" program]

[Text] The watchdog Control Yuan has censured the Ministry of National Defense for mishandling the purchase of 150 U.S.-made F-15 [as received] jet fighters.

The watchdog also ordered the ministry to investigate whether General Wen Ha-hsiung, head of Taipei's arms buying mission in the United States, had abused his power causing the ministry to mishandle the deal.

The Control Yuan said the Defense Ministry illegally used interests from military purchase funds deposited in the United States to make a down payment of \$98.9 billion for the aircraft in November 1992.

Control Yuan member Li Sheng-i said the action took place before the Legislative Yuan approved the \$6 billion budget for the planes and thus violated the budget law.

Censure motions are public reprimands which do not include any specific punishment. Controversy over the jet deal erupted after the Legislative Yuan moved to assert control over our arms purchases.

### **Belgian Delegates Sign Investment Pacts**

*OW2309154393 Taipei CNA in English 1440 GMT  
23 Sep 93*

[By Sofia Wu]

[Text] Taipei, Sept. 23 (CNA)—Taiwan signed three investment cooperation agreements with Belgium Wednesday [22 September] to boost economic [word indistinct] between the two countries.

The accords were signed by Ricky Y.S. Kao, director-general of the Industrial Development and Investment Center, and the chief investment administrators of Belgium's Brussels, Flanders and Wallonia regions.

Kao said the pacts will help boost trade between Taiwan and Belgium and facilitate introduction of advanced European technologies into Taiwan.

Under the agreements, Taiwan will exchange information about its investment climate, regulations and incentives with the three Belgian regional governments. Taiwan and Belgian trade officials will also meet regularly to discuss possible trade opportunities and technological cooperation projects.

Both sides will send trade missions on market-inspection tours and set up special committees to assist prospective investors.

The Belgian officials who signed the pacts were Jean-Claude Moureau, head of the administration of Economy and Employment under the Ministry of Brussels-capital Region; Joeee G.M. Mercken, managing director of the Flanders Investment Office; and Rene Delcomminette, director-general of the Office for Foreign Investors of Wallonia region.

The three arrived in Taipei Sunday to attend "Belgian Week" trade promotion activities jointly organized by the Belgian Foreign Trade Office and the China External Trade Development Council.

Taiwan has signed similar investment cooperation accords with eight other countries, including Vietnam, Indonesia and Ireland.

### **Council To Send Trade Group to Mexico**

*OW2409084993 Taipei CNA in English 0807 GMT  
24 Sep 93*

[By Danielle Yang]

[Text] Taipei, Sept. 24 (CNA)—The China External Trade Development Council (CETRA) will send a trade group to Mexico City for the fifth Republic of China [ROC]-Mexico economic meeting and trade show.

The Sept. 26-Oct. 4 meeting, sponsored by the Chinese National Association of Industry and Commerce, will discuss investment cooperation between the two countries, a CETRA spokesman said.

Ninety-three local manufacturers from textile, leather, automotive, electronics, and machinery industries will visit Mexico and tour facilities at the US-Mexico border production city of Matamoros.

In addition, a 1993 Taiwan industrial fair is scheduled for Sept. 28-Oct. 2 in Mexico City.

CETRA said Mexico is internationally recognized as a future business center because of its rapidly growing market. Two-way trade between the ROC and Mexico totaled US\$620 million in 1992.

Meanwhile, more than 70 Taiwan manufacturers have expressed interest in investing in a free trade zone in Costa Rica. They hope to set up plants to produce beverages, canned foodstuffs, garments, furniture, and computers after inspecting the investment climate there on Oct. 4.

The free trade zone will be built by the BES Engineering Corp. and is the first overseas processing zone directly operated by the ROC Government.

The investment guarantee agreement signed between the two countries will entitle ROC investors to loan and insurance incentives, the spokesperson added.

### **SEF Official Arrives in Beijing**

*OW2509105893 Taipei CNA in English 0736 GMT  
25 Sep 93*

[By Danielle Yang]

[Text] Beijing, Sept. 24 (CNA)—Li Ching-ping, deputy secretary-general of Taiwan's Straits Exchange Foundation (SEF), arrived in Beijing Friday [24 September] for a two-week visit.

Li visited Director Wang Chao-kuo [Wang Zhaoguo] of the State Council's Taiwan Affairs Office and offices of the Association for Relations Across the Taiwan Strait (ARATS) Friday afternoon.

Li said during the [words indistinct] years, a total of five million visits were made from Taiwan to Mainland China, and 50,000 mainlanders had visited Taiwan. Both Li and Wang agreed that the frequent visits across the strait are beneficial to both sides.

In terms of economy, Li said indirect trade between Taiwan and Mainland China in 1992 totaled US\$7.4 [words indistinct] US\$10 million in 1993. [remainder of item indistinct]

## Hong Kong

### China 'Psychologically' Ready for Talks Failure

HK1009104593 Hong Kong SOUTH CHINA  
MORNING POST in English 10 Sep 93 p 2

[By Doreen Cheung in Beijing]

[Text] Sino-British negotiators yesterday concluded the eleventh round of talks on the 1994/95 electoral arrangements with the two sides apparently making no progress.

A new round of negotiations—the last before the Chinese Foreign Minister, Qian Qichen, and the British Foreign Secretary, Douglas Hurd, meet in New York will be held on September 26 and 27.

The ministerial meeting is now tentatively set for October 1, China's National Day.

Chinese Foreign Ministry spokesman Wu Jianmin said yesterday that the final date for the two foreign ministers' meeting would be announced in due course.

He said he hoped the meeting would give an impetus to the talks on the electoral package and improve Sino-British relations.

The big gap between yesterday's meeting and the next round of talks is because China's chief negotiator, Jiang Enzhu, will accompany Chinese Vice President Rong Yiren on a trip to southern Europe from September 16 to 22.

Sources conceded that the timetable was tight and the next round of talks would be crucial in preparation for the Qian-Hurd session.

The two sides remained cautious at the prospect of an agreement with a source close to the British side saying that "the signals are not looking great".

Privately, mainland officials also said Beijing had prepared psychologically for the breakdown of talks as the two sides were still sharply divided over "matters concerning fundamental principle".

"Now it appears that the two sides are well-prepared, at least psychologically, for a no-deal scenario," one official said.

The British negotiating team leader, Sir Robin McLaren, will fly to Hong Kong this morning to brief the Governor, Chris Patten, on the latest state of play and discuss with him the way ahead.

An informal session to brief Executive Councillors is planned for Saturday.

Emerging from yesterday's three-hour meeting Sir Robin said: "We've engaged in substantive discussions. But there still is a gap between our two sides."

Again, Sir Robin described the atmosphere of the meeting as "courteous".

Asked if Britain would consider its position to achieve a breakthrough, Sir Robin said there would naturally be opportunity for that.

The British side would review its stance before and after the next round, he said. The two foreign ministers would also review progress of the talks at the New York meeting.

Despite little progress made, Sir Robin said they would not talk about setting a deadline at this stage.

A Chinese source said the British side had never abandoned the Patten proposals, adding that revised proposals later tabled by Britain still carried major features of the original blueprint.

China would certainly reject any proposals that were not in line with voting methods in the existing functional constituency (FC) elections, the source said.

"It is impossible for China to agree to giving a seat to civil servants through functional elections to sit on the Legislative Council," he said.

Chinese Foreign Ministry spokesman Mr Wu said China would continue to reject the proposals to introduce major changes to Hong Kong's civil service system.

"Our view is that the Sino-British Joint Declaration and the Basic Law should be observed. We are opposed to any major changes to this."

But Sir Robin reiterated that changes would not import politics into the civil service or affect the political neutrality of the civil service.

Asked if the two sides might try to reach an agreement just for the 1994 district board (DB) elections first, Sir Robin said the talks were concerned with the 1994/1995 elections "as a whole".

The possibility for decoupling the two subjects was raised by the Liberal Party at a meeting with Mr Patten held in Hong Kong yesterday. The party said an agreement on the District Board elections should be reached first.

### Key Differences Between The Two Sides

Issues	Britain	China
FC elections		
Voting method	One-man, one vote	Designated groups
Size of electorate	Around one million	Substantially lower
Seat for civil servants	Yes	No
Seat for kaifong groups	No	Yes
Seat for Chinese-funded firms	No	Yes
Election Committee		
Local NPC and CPPCC members	No	Yes
District board members	Up to 150	A small number



Key Differences Between The Two Sides		
Issues	Britain	China
Through train criteria	Yes	No
Nationality restriction	No	Yes
Appointed seats in DB	All abolished	All remain
Voting Age	Lower to 18	Stay at 21

### 'Source' Says PRC 'Ready for Confrontation'

HK2509072693 Hong Kong THE STANDARD in English 25 Sep 93 p 1

[By Rain Ren, in Beijing, Mary Binks, Catherine Ng, and Antony Cheesewright]

[Excerpt] Beijing has reissued a veiled ultimatum to Britain to drop its democratic reform plans for Hong Kong—or face unilateral intervention by China before 1997. The warning comes just two days before the 12th round of Sino-British negotiations are due to start. And it has been delivered a week before the Chinese and British foreign ministers are due to assess the progress of the talks while at a United Nations General Assembly in New York.

Beijing revived comments made by paramount leader Deng Xiaoping 11 years ago, threatening to take back the territory earlier than 1997 if China's government thought there was a threat of "serious disturbances" in the period of transition. He made them to the British prime minister of the time, Margaret Thatcher, during negotiations over the Joint Declaration.

The text of Deng's remarks—never before published in full—dominated yesterday's front page of the China Daily and was also carried in the territory's Beijing-controlled newspapers. The publication came hours after Beijing lost its bid to host the 2000 Olympics.

A highly-placed Chinese source said the timing of the publication was intended to show to Britain that Beijing was ready for confrontation if Governor Chris Patten pushed ahead with his package of democratic reforms, which have deadlocked the Sino-British negotiations. "It is a showdown," the source said. "We want them (the British) to know this is our bottom line, make or break."

"We want to have an answer when the two foreign ministers meet."

"Deng is like a steel-melting factory. He could easily beat down the Iron Lady (Thatcher) 10 years ago, let alone several contemptible scoundrels now."

But Britain was sceptical China would carry out its threats if Patten implemented his democratic reforms. One British government source in London likened the publication of Deng's comments to "the behavior of spoilt children." "Having lost face over the 2000 Olympics, they feel they have to lash out," he said.

Patten was equally dismissive, saying Beijing's gesture served no useful purpose. "I don't think it's a cause for

concern," he said. "I don't think anyone in Hong Kong would be particularly surprised by anything it (the Chinese government) says." [passage omitted]

### 12th Round of PRC-UK Talks Kong Opens

HK2609032493 Hong Kong AFP in English 0316 GMT 26 Sep 93

[Text] Beijing, Sep 26 (AFP)—China and Britain opened their 12th round of talks here Sunday on electoral reform in Hong Kong. The talks opened at the Diaoyutai State Guesthouse.

The negotiations are intended to reach a consensus on arrangements for the British colony's last elections before it reverts to China in 1997, but little progress has been made since talks began in April.

Chinese Foreign Minister Qian Qichen and British Foreign Secretary Douglas Hurd were to meet October 1 on the sidelines of the U.N. General Assembly in New York to discuss the talks.

### Representatives Meet Reporters

CM2709174493 Beijing XINHUA Domestic Service in Chinese 0725 GMT 26 Sep 93

[Text] Beijing, 26 Sep (XINHUA)—The government representatives of China and the United Kingdom today began their 12th round of talks on the arrangement for the 1994/1995 elections in Hong Kong.

Jiang Enzhu, Chinese vice minister of foreign affairs, and Sir Robin McLaren, British ambassador to China, started the talks on behalf of their respective governments.

The two-day talks, which take place before the forthcoming meeting between Qian Qichen, Chinese vice premier and foreign minister, and Douglas Hurd, British foreign secretary, in New York, receive wide attention.

In answering reporters' questions, Jiang said the important speech on the issue of Hong Kong made by Deng Xiaoping 11 years ago is "highly far-sighted," adding that it has expounded the Chinese Government's basic position on Hong Kong and "is of great practical guiding significance for dealing with the question of Hong Kong so as to ensure the stable transition and smooth transfer of power in Hong Kong in 1997."

Jiang noted that the marathon Sino-British talks on the political structure in Hong Kong have lasted more than five months.

Jiang said that progress in the talks is "slow", adding that ahead of them there is still "an arduous road to cover." "The Chinese side has always cherished sincerity with regard to the talks and made major efforts to advance the talks."

Jiang said it is the view of the Chinese side that the key to achieving an important breakthrough in the talks and to reach finally an agreement depends on whether there is sincerity to act in accordance with the three principles reached between the two sides; namely, the Sino-British

joint declaration, the principle of convergence with the basic law for the Hong Kong Special Administrative Region, and agreements and understandings reached between the two countries.

He stressed that the aim of the talks is to reach an agreement on the arrangement for 1994/1995 elections in Hong Kong so as to realize the stable transition politically, and this also means the realization of the through train.

"If an agreement cannot be reached, there will be no point in talking about the issue of the through train; this is very obvious," he added.

McLaren said that the current round of the talks is "particularly important" because it takes place before the meeting between the two foreign ministers.

McLaren agreed that progress in the talks has been slow. "We, on the British side, are determined to make as much progress as we can before the two foreign ministers' meeting," thus enabling them to take a positive view about the work of the two sides, he added.

#### Talks Planned After Qian-Hurd Meeting

HK2709052593 Hong Kong RTHK Radio Four in English 0500 GMT 27 Sep 93

[From the "News at One"]

[Text] The British Ambassador to China Sir Robin McLaren has said the talks on political reform in the territory will continue after the two foreign ministers meet on Friday [1 October]. However, Sir Robin said he didn't know how many more sessions there would be. Speaking in Beijing before attending the second day of another round of talks, he said the comments made by senior leader Deng Xiaoping to former British Prime Minister Margaret Thatcher about the possibility of an early takeover of the territory had not been raised at the talks. The British side is reportedly ready to make further concessions if assured that legislators will be able to serve beyond 1997.

#### 13th Round of Talks Planned

OW2709082693 Beijing XINHUA in English 0802 GMT 27 Sep 93

[Text] Beijing, September 27 (XINHUA)—China and Britain will hold their 13th round of talks on the arrangement for the 1994-1995 elections in Hong Kong on October 11 and 12 here, according to sources from the Chinese Ministry of Foreign Affairs.

The sources said that the two sides have agreed that Jiang Enzhu, representative of the Chinese Government and vice-minister of foreign affairs, and Sir Robin McLaren, representative of the British Government and British ambassador to China, will hold the talks in accordance with the Sino-British joint declaration, the principle of convergence with the basic law for the Hong Kong special administrative region, and agreements and understanding reached so far between the two countries.

#### Negotiators on 'Substantial Gap' in Talks

HK2709052893 Hong Kong SOUTH CHINA MORNING POST in English 27 Sep 93 p 3

[By Linda Choy in Beijing and Doreen Cheung]

[Text] Britain is ready to make further concessions on political reform for Hong Kong if it is assured that legislators can serve beyond 1997, according to a British source. The source said Britain was keen to press China for a set of objective criteria under which Legislative Councilors elected in 1995 could stay beyond the handover the so-called "through train" arrangement. It wanted these spelled out in the 12th round of Sino-British talks on constitutional development now underway in Beijing.

This round is the last before British Foreign Secretary Douglas Hurd meets his Chinese counterpart Qian Qichen in New York on Friday [1 October] in an effort to break the deadlock. That meeting is also intended to help Governor Chris Patten put the finishing touches to his policy address on October 6. "Britain has already made concessions by tabling a watered-down version of the political package. We would now like to turn to the subject of the through-train which has not been discussed in the talks," the source said.

The "watered-down" version referred to was a proposal to cut significantly the franchise for the functional constituency polls, and to allow an election committee structure modelled more closely on the one laid down in the Basic Law. "We can't afford to have no through-train after making a lot of concessions on other aspects of the electoral arrangements," the source said. The source said all proposals could be subject to further negotiation provided that the through-train had been assured.

In Beijing, British chief negotiator Sir Robin McLaren said yesterday that he was determined to make progress. "The through-train, and particularly the question of through-train criteria, is a matter of fundamental importance for the British side. If progress has to be made, progress has to be made in that area," Sir Robin said after the morning session. But he admitted there had been little progress. "There is a substantial gap between the two sides," he said.

The Chinese chief negotiator, Jiang Enzhu, maintained that the through-train issue should come second on the agenda. "If an agreement cannot be reached, there will be no through-train to speak of," he said. China has insisted on having the right to decide which legislators should serve beyond 1997. Describing the talks, which have lasted for more than five months, as a "marathon", Mr Jiang said progress had been slow. "The key to whether or not an agreement will be reached depends on whether the two sides have implemented the three principles," he said. The three principles are the Joint Declaration, the Basic Law and diplomatic letters exchanged.

In response, Sir Robin said the bedrock for all cooperation between the two governments on Hong Kong was the Joint Declaration. Despite speculation that Britain was preparing for a breakdown in the talks following Mr Patten's

warning that he was ready to table his political package to the Legislative Council, the British source said that was unlikely "Hong Kong people will neither accept it nor understand if the talks collapse. The Governor would pay a political price for that," the source said.

**Chen Ziyong on 'Significance' of 1982 Deng Talk**  
*OW2409183693 Beijing XINHUA in English 1554*  
*GMT 24 Sep 93*

[Text] Beijing, September 24 (XINHUA)—Chen Ziyong, deputy director of Hong Kong and Macao affairs for the State Council, stressed here today that Deng Xiaoping's speech on the Hong Kong question has far-reaching significance to solving Hong Kong issues.

Chen said that the speech expressed the basic stand of the Chinese Government on Hong Kong.

Chen said that it is significant to maintaining Hong Kong's stability and prosperity and to enabling the smooth transition of the government in Hong Kong.

Chen said that Deng's speech, made while meeting Margaret Thatcher, former British Prime Minister, 11 years ago, shows that under any condition, the Chinese Government is determined and has the capacity to realize the principles of "one country, two systems" and "letting Hong Kong people rule Hong Kong" so as to maintain long-term stability and prosperity in Hong Kong.

On the question of Sino-British relations, Chen said that the Chinese Government hopes that the Chinese and British sides both cooperate in the spirit stipulated by the Sino-British Joint Declaration.

Chen said that the Chinese side is willing to cooperate on questions including negotiations on the arrangements of 1994-95 elections or the handling of other questions.

"We have showed our sincerity and we hope the British side also shows its sincerity, for it is the basis for the cooperation on the Hong Kong question," Chen said.

Answering a question whether the Sino-British negotiations will end in deadlock, Chen stressed that the Chinese side has patience in pursuing the negotiations to success.

But he noted that the solution of any question calls for joint efforts by both sides.

**Patten on Deng's 1982 Remarks**

*HK2409143293 Hong Kong Asia Television Limited in English 1200 GMT 24 Sep 93*

[From the "Main News" program]

[Excerpt] The governor, Mr. Patten, has dismissed the significance of Beijing's reiteration of a warning by senior leader Deng Xiaoping that China may take back Hong Kong before 1997 if there are serious disturbances. Yuen Chan reports:

[Begin recording] [Chan] Mr. Patten says the remarks serve no useful purpose, as they were made 11 years ago and predate the signing of the Joint Declaration.

[Patten] It doesn't seem to me that it's particularly newsworthy to publish a speech that was made 11 years ago, a speech which has been taken out and dusted down at fairly regular intervals ever since, and a speech which, of course, predated the signing of the Joint Declaration, the international treaty which guarantees Hong Kong's way of life for 50 years after 1997, so I don't think it is cause for concern. [passage omitted]

**Editorials on Deng's 1982 Talks With Thatcher**

**Deng's Remarks 'Threatening'**

*HK2509060293 Hong Kong SOUTH CHINA MORNING POST in English 25 Sep 93 p 16*

[Editorial from the "Comment" page: "Warmed Over Threat"]

[Text] In stark counterpoint to Beijing's magnanimous statement on the Olympics, is the darkly threatening tone of the other major story on the front page of the official newspapers yesterday: the reiteration of Deng Xiaoping's 11 year-old warning of a possible early takeover of Hong Kong.

The release of this hardline text immediately following the Olympic decision is deliberately intended to undermine any sense of reassurance Hong Kong might have taken from promises of a more open China. Coming before next week's crucial meeting between the Foreign Secretary, Douglas Hurd and his Chinese counterpart Qian Qichen, it is a stark reminder to Britain that Beijing believes it holds all the cards in the negotiations on Hong Kong's political development. It also underlines China's fury at Mr Hurd's remarks last week hinting that Beijing did not deserve the Games. If Britain is not prepared to maintain a veneer of cordiality with China in its dealings with the rest of the world, Beijing can withdraw co-operation in more damaging ways.

Beijing has been saving this statement up for weeks, not wishing to undermine its Olympic bid with any ill-timed threats against Hong Kong. However, its release at this point carries all the more force because of the widespread perception that the Sino-British negotiations are going badly. It is not to be taken literally as a threat to invade Hong Kong over the current political impasse. But it is a reminder that the Chinese leadership is not prepared to lose face over Hong Kong and will do whatever is necessary to ensure stability in the territory, including, if need be, an early takeover. Olympics or no Olympics, if Chris Patten pushes ahead with his programme without agreement with Beijing, China is serving warning that it will dismantle whatever reforms he puts into place in 1997. Deng's warning is not a new threat, but a bald reminder that China maintains the upper hand in its dealings with Britain over Hong Kong.

**Talk 'Profound,' 'Realistic'**

*HK2409135293 Hong Kong WEN WEI PO in Chinese 24 Sep 93 p 1*

[Editorial: "Deng Xiaoping's Talk Has Guiding Significance for a Smooth Transition"]



[Text] The talk given by Deng Xiaoping during his meeting with former British Prime Minister Margaret Thatcher on 24 September 1982 was officially published today. The talk definitely has profound guiding and realistic significance for the Chinese Government in handling all issues concerning Hong Kong in the latter half of Hong Kong's transitional period.

Exactly 11 years ago, Mrs. Thatcher went to China to negotiate the future of Hong Kong soon after the United Kingdom had won a victory in the Falklands conflict. She contended that "the three unequal treaties are still valid." Deng Xiaoping told her in no uncertain terms that there was no room for maneuver regarding sovereignty and added that the question of sovereignty could not be discussed. Deng Xiaoping pointed out that the Chinese Government would primarily concentrate on the following three issues with regard to the Hong Kong question: 1) sovereignty; 2) the principles and policies the Chinese Government will adopt in order to maintain Hong Kong's stability and prosperity after 1997; and 3) that China and the United Kingdom should properly hold bilateral consultations with a view to preventing major upheavals from breaking out in Hong Kong in the run-up to 1997.

The aforementioned three issues also constitute the guiding principles adhered to by the Chinese Government during the Sino-British negotiations on Hong Kong's 1994-1995 electoral arrangements. This was why China put forward the principle of the "three conformities" during the negotiations. First, the Sino-British Joint Declaration has already been signed. The most crucial points in the Sino-British Joint Declaration are that China will recover Hong Kong, will resume the exercise of sovereignty over Hong Kong, and will ensure that Hong Kong's existing systems will remain unchanged for 50 years. Second, China has publicized its principles for maintaining Hong Kong's stability and prosperity throughout the world and has already included those principles and policies in the Basic Law. Therefore, work in the latter half of the transitional period must converge with the Basic Law. Third, all previous understandings and agreements reached between China and the United Kingdom sought to prevent upheavals from breaking out in Hong Kong in the latter half of the transitional period. Therefore, all those understandings and agreements must be implemented to the letter. As long as both sides abide by the "three conformities" principle, they will not find it difficult to resolve problems relating to Hong Kong's 1994-1995 electoral arrangements and will be able to lay the tracks for the proposed through-train.

With regard to the Hong Kong question, Chris Patten is indeed a novice. If he had been aware of his own limitations, he would have paid attention to the fact that Mrs. Thatcher had challenged China, but to no avail. Chris Patten would also have known that it would be impossible for him to force China to make even the slightest concession. Knowing that he himself will certainly run up against a stone wall, Chris Patten had better try to find a way out which satisfies British interests rather than obstinately sticking to his own course.

Mrs. Thatcher succeeded in finding her own way out by praising China's "one country, two systems," by amicably cooperating with China, and by handing back Hong Kong. Had he abided by the Sino-British Joint Declaration, Chris Patten would have done things in accordance with the seven letters exchanged between the Chinese foreign minister and the British foreign secretary and would have converged with the Basic Law. He would not have sought to introduce a drastic change to the existing constitutional system, prop up pro-British and anti-Chinese political forces, sow distrust between the Hong Kong people and China, force those Hong Kong personalities in administrative posts to distance themselves from China and become British subjects, allow expatriate civil servants to remain in senior posts, and put an end to the civil service's tradition of political neutrality in order to create a scenario in which the United Kingdom will hand over its administrative power only to its proxies in Hong Kong. Furthermore, Chris Patten has also brazenly declared that the United Kingdom's "moral responsibility for Hong Kong will last beyond 1997."

That Chris Patten adopted a "three violations" attitude and dished up his constitutional reform package has already given rise to upheavals and has disrupted the arrangements for securing a smooth transition in Hong Kong. Deng Xiaoping had long before predicted that the British would try little tricks by deliberately creating disorder in Hong Kong. Nevertheless, the Chinese Government, for its part, will firmly safeguard its sovereignty and will resolutely abide by the Basic Law in accordance with Deng Xiaoping's remarks so as to let people throughout the world see that China is always true to its word and resolute in its deeds. China will never be scared by anyone who attempts to test China's ability and will for resuming sovereignty over Hong Kong or tries to ask China difficult questions. China has two magic weapons for maintaining Hong Kong's stability and prosperity. First, China has adopted some correct principles and policies. As long as China can ensure that Hong Kong's existing systems will remain unchanged, Hong Kong will certainly remain a good place for making money, with the result that both foreign and Chinese capital will remain in Hong Kong and foreign and Chinese professionals will continue to work in Hong Kong. Second, China will try to rely on the unifying force of the Chinese nation as well as the great unity among all the patriotic Hong Kong compatriots. As long as China remains stable and sound, Hong Kong will definitely remain stable and sound. The majority of Hong Kong people have been confident about Hong Kong's future and are eager to see a stronger China. Maintaining Hong Kong's prosperity and stability is commensurate with the fundamental interests of the Hong Kong people. This has become the trend of the times and the desire of the people. After all, only a handful of people have thus far been colluding with the British in making trouble in Hong Kong. The Preliminary Work Committee for the Preparatory Committee of the Hong Kong Special Administrative Region has admitted a large number of Hong Kong personages. This shows that China relies on and trusts the Hong Kong people.



The official publication of Deng Xiaoping's remarks has offered a guiding ideology capable of securing smooth progress for the work of the Preliminary Work Committee. Only by making preparations for two different outcomes—a smooth transition on one hand and the British refusing to cooperate and making trouble on the other—will the Preliminary Work Committee remain in an impregnable position. As long as it conscientiously studies issues pertaining to Hong Kong's transition by taking account of the realities in Hong Kong and gives extensive heed to the views of the Hong Kong people, the Preliminary Work Committee will certainly be able to make a success of its work. The publication of Deng Xiaoping's talk will definitely spur the Hong Kong compatriots to contribute both talents and efforts with one heart and one mind to convergence with the Basic Law as well as the implementation of "one country, two systems" in accordance with the principle of resuming the exercise of sovereignty on one hand and maintaining prosperity and stability on the other.

#### Part One of Editorial

HK2509075493 Hong Kong TA KUNG PAO in Chinese  
25 Sep 93 p 2

[Editorial: "Deng Xiaoping's Talk Is of Realistic Guiding Significance"—After Reading 'Our Basic Position on the Question of Hong Kong' (Part One)"]

[Text] Deng Xiaoping, the chief architect of "one country, two systems," spelled out the Chinese Government's basic position on the question of Hong Kong when meeting with British Prime Minister Lady Thatcher [as published] on 24 September 1982. Deng Xiaoping's talk was carried in full by mainland and Hong Kong newspapers yesterday. 11 full years after the talk. Readers could thus read the talk for themselves. Deng Xiaoping's talk has stood the test of time and proved prophetic; its insuppressible truth concerning a smooth transition for Hong Kong, the changeover of political power in 1997, and maintaining long-term prosperity and stability means that the talk has very important, realistic, and guiding significance.

A careful reading of Deng Xiaoping's talk will enable us to appreciate the mind, talent, foresight, and vision of a great statesman. In the 1,800-character talk, he analyzed in depth various determinants in the question of Hong Kong, approached it from a high plane and with unstoppable logic, and eliminated irrelevancies occasioned by various misleading opinions. He talked about the firmness of the Chinese Government on the question of the principle of sovereignty as well as its flexibility in forming a policy suitable for the reality of Hong Kong; the right timing for solving this question; the time for announcing this policy; and the transition period. He talked about the inevitability of minor disturbances as well as the methods for preventing major disturbances; the fact that disaster did not have to occur, but that the Chinese people had the courage to face it; and the contribution of Hong Kong's prosperity and stability toward China's modernization, but also the fact that China's four modernizations did not rely on Hong Kong alone. He expressed his sincerity in seeking cooperation with the United Kingdom, but stated unequivocally

that China took all things into consideration, including reconsidering the timing and manner of the takeover if it had to. The talk is a paradigm of the spirit of seeking truth from facts. Its overall spirit is resolutely to restore sovereignty over Hong Kong as scheduled and to adopt policies suitable for the reality of Hong Kong to ensure long-term prosperity and stability.

Beginning with the meeting between Deng Xiaoping and Lady Thatcher [as published], China and the United Kingdom have held many rounds of talks on the question of Hong Kong. All along the Chinese side has approached the talks in the spirit of Deng Xiaoping's talk. This talk by Deng Xiaoping led to the resolution of the question of Hong Kong. Without this talk by Deng Xiaoping, there would be no Sino-British Joint Declaration, Basic Law, or smooth transition for Hong Kong. This talk by Deng Xiaoping is still relevant today and carries profound significance. When the transition period has fewer than four years to go, and when British Hong Kong is continually creating man-made disturbances, it is highly necessary to publicize the talk to increase the understanding of Hong Kong citizens. A pond fish cannot appreciate the depth of the oceans, and noisy crows have no understanding of the minds of high-flying eagles. Opportunistic politicians cannot appreciate perception and insight and can only mumble about the "newsworthiness" of the talk.

In this talk with Lady Thatcher [as published], Deng Xiaoping expressed fully the national dignity of the Chinese people and took care of the United Kingdom's honor. Recovering Hong Kong is the wish of the Chinese people and Hong Kong compatriots. The present Chinese Government is not that of the late Qing Dynasty; Chinese leaders today are not Li Hongzhang; and the Chinese people, who are standing tall, are no longer weak and cannot be bullied. The Chinese Government and leaders and the descendants of the Chinese race in Hong Kong could not justify themselves before history if Hong Kong were not recovered by 1997, were still under British administration, or continued to be ruled effectively by the United Kingdom. But allowing the United Kingdom to withdraw from Hong Kong with honor, thus ending the era of its colonial rule, is, as Deng Xiaoping said, also beneficial to the UK, which will gain even greater benefits from the region. A statesman looks at the situation as a whole, and then makes a decision which is good both for himself and others.

As far as sovereignty is concerned, neither in principle nor in reality does China have any room for maneuver. Bargaining is out of the question. For the UK, since it has signed the Joint Declaration and pledged to return Hong Kong, any attempt on its part to interfere in Hong Kong Special Administrative Region [SAR] affairs after 1997, such as asking to take part in setting up the preparatory committee for the SAR or producing the first chief executive for the SAR, or commenting on the composition of the legislature in the year 2007, is tantamount to an attempt to extend its colonial rule and is dishonorable and undignified. Nor can the attempt succeed. Reading Deng Xiaoping's 11-year-old talk now steels our confidence in the

recovery of Hong Kong by China and the pursuit of "one country, two systems." For the UK, reading it can teach it to understand that it is in its interests to take genuine action to end, in a clear and resolute manner, the era of colonial rule, not brag about "fairness and openness."

**Panel on Territory's Security Meets in Beijing**

OW2409203793 Beijing XINHUA in English 1507  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—A panel on the subject of society and security under the preliminary working committee for the preparatory committee of the Hong Kong Special Administrative Region of the Standing Committee of the National People's Congress (NPC) met in Beijing today.

The establishment of the preliminary committee was adopted at the first plenary session of the Eighth NPC in March, and its duty is to make preparations for the preparatory committee of the Hong Kong Special Administrative Region.

Members of the preliminary committee held that the task of the panel on the subject of society and security is to study the social questions and security concerning the smooth transition of power in Hong Kong and make suggestions so as to make preparations for the preparatory committee to handle the work.

The one-day panel meeting will be succeeded on September 25 by a panel on law, and on September 26 a panel on cultural matters.

**Reaches Agreement**

OW2509180093 Beijing XINHUA in English 1528  
GMT 25 Sep 93

[Text] Beijing, September 25 (XINHUA)—A panel on the subject of law under the preliminary working committee for the preparatory committee of the Hong Kong Special Administrative Region of the Standing Committee of the National People's Congress (NPC) met in Beijing today.

The establishment of the preliminary committee was adopted at the First Plenary Session of the Eighth NPC in March, and its duty is to make preparations for the preparatory committee of the Hong Kong Special Administrative Region.

At the one-day meeting, members of the law panel discussed and reached agreement on the tasks and working schedule of the panel.

The members hold that their task is to study and make suggestions on how the current laws of Hong Kong should be dealt with when they run into conflict with the basic law.

Another task of the panel, the members agree, is to study and make suggestions on how the basic law and those national laws that can be applied to Hong Kong according to the basic law can be properly implemented in the special administrative region.

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